



1 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 IN AND FOR THE COUNTY OF LOS ANGELES

3 RELIGIOUS TECHNOLOGY CENTER, A )  
California Non-Profit Religious )  
4 Corporation; CHURCH OF )  
SCIENTOLOGY INTERNATIONAL, A )  
5 Non-Profit Religious Corporation; )  
and CHURCH OF SCIENTOLOGY OF )  
6 CALIFORNIA, A Non-Profit )  
Religious corporation, )

7 Plaintiffs, )

8 vs. )

No: BC 033035

9 JOSEPH A. YANNY, an individual; )  
10 JOSEPH A. YANNY, a professional )  
law corporation, and DOES 1-25, )  
11 inclusive, )

VOLUME IV

12 Defendants. )  
13 \_\_\_\_\_ )  
14  
15  
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17 Volume IV - Deposition of GERALD ARMSTRONG,  
18 taken on behalf of the Plaintiff, at 3340 Ocean Park  
19 Boulevard, Suite 1050, Santa Monica, California 90405,  
20 commencing at 9:00 a.m., Tuesday, March 17, 1992,  
21 before Jan Serra, CSR 8207.  
22  
23  
24  
25



A P P E A R A N C E S

FOR THE PLAINTIFF CHURCH OF SCIENTOLOGY:

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THE REFEREE: THE HONORABLE THOMAS T. JOHNSON

ALSO PRESENT:

MATT WARD

# I N D E X

WITNESS: GERALD ARMSTRONG

EXAMINATION

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BY MR. MOXON

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BY MR. YANNY

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EXHIBITS:

NUMBER

DEFENDANT'S  
DESCRIPTION

PAGE

(None)

NUMBER

PLAINTIFF'S  
DESCRIPTION

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(None)

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2 1 MR. BERRY: On the record.

2 In December, early January we served form  
3 interrogatories and got some responses that weren't  
4 responsive. We asked for a meet and confer. We were  
5 told we were going to get better responses so there  
6 was no reason to have a meet and confer. We have  
7 since got nothing.

8 In January, again, we served custodian of  
9 records subpoena duces tecums on the law firms. We  
10 had a meet and confer before Your Honor. We were told  
11 we would get the documents. In fact, Your Honor  
12 ordered them be produced as soon as possible. We have  
13 served other discovery. We have had no responses.

14 But in the particular, the attorney  
15 documents are critical to the depositions we are  
16 supposed to be commencing tomorrow and Thursday. We  
17 have not gotten a single document. Not a response,  
18 nothing. Those are the most critical documents in  
19 this case for us. The most critical depositions.

20 We have been denied discovery. They have  
21 in the meantime had the time to bring two motions  
22 yesterday, one for judgement on the pleadings, one to  
23 strike the jury demand, both specious, but they have  
24 time to make them. They have time to bring motions in  
25 Marin County. They have had time to try and stop us

2 1 dealing with Mr. Corydon's counsel, but they haven't  
2 had time to introduce these matters.

3 MR. MOXON: I'm not in any position to  
4 respond. These matters were handled by other counsel  
5 in the case. I came in because we were deluged by  
6 other matters to handle these depositions. I will  
7 attempt to find out at a break.

8 THE REFEREE: Find out at a break.

9 And I remember this quite distinctly. I  
10 haven't heard him say anything that isn't in accord  
11 with any recollection, so when we take our break I  
12 want you to contact your office, and unless you're in  
13 a position to say that the material will be furnished  
14 today, I want somebody knowledgeable here this  
15 morning. No if's, ands or buts about it.

16 What specific information are you looking  
17 for?

18 MR. BERRY: The documents response and/or  
19 privilege log in response to the custodian of records  
20 subpoena duces tecums that were served on the  
21 custodian of records on the firms of William T.  
22 Drescher, Quinn Kelly & Morrow and your own law firm,  
23 Bowles & Moxon.

24 Plus the response, further and better  
25 responses to our form interrogatories, as assured by



2 1 Ms. Bartilson.

2 While we're on that point, we also do not  
3 have dates, Your Honor, for other depositions. We  
4 have asked for dates for Gail Armstrong, for Mr. Van  
5 Sickle. We haven't got any response on those either.  
6 And I do resent it being said on the record that  
7 counsel doubts if anything I have said is accurate. I  
8 didn't say that. I said I doubted if all your  
9 representations are accurate.

10 MR. MOXON: I will --

11 THE REFEREE: We'll be taking a break in  
12 about an hour and you can call in. I've been a little  
13 bit concerned because Pat, who does the scheduling,  
14 has said she hadn't heard anything further about  
15 setting the other depositions because as you probably  
16 are aware, whatever is going to be done that involves  
17 me has to be done before I leave on the 13th of April.

18 And I know Judge Cardenas is going to  
19 expect this to be ready for trial in the latter part  
20 of April. So we are really talking about -- I don't  
21 know how many more depositions we are talking about.  
22 I don't think there are very many. But we're talking  
23 about a relatively few days that are available.

24 Are we ready to resume now?

25 MR. GREENE: Yes.

2 1 THE REFEREE: Are you in good voice this  
2 morning?

3 THE WITNESS: Good voice. We're fine  
4 over here on this side of the table.

5 THE REFEREE: Alright Mr. Moxon.  
6

7 GERALD ARMSTRONG,  
8 having first been duly sworn, was  
9 examined and testified as follows:  
10

11 EXAMINATION  
12

13 BY MR. MOXON:

14 Q Mr. Armstrong, is your Church part of any  
15 recognized religious practice?

16 A Yes.

17 Q What is it?

18 A Forgiveness.

19 Q That's the name of the religion,  
20 forgiveness?

21 A Forgiveness is a recognized religious  
22 practice.

23 Q Is your Church part of any recognized  
24 religious organization?

25 A It is itself a recognized religious

2 1 organization.

2 Q By whom?

3 A By all those people who are members.

4 Q By the IRS, Internal Revenue Service?

5 A I have not approached the Internal  
6 Revenue Service about the subject.

7 Q Have you applied for certification with  
8 any state agency?

9 A No.

10 Q Federal agency?

11 A No.

12 Q Any municipality?

13 A No.

14 Q Any ecclesiastical bodies?

15 A No.

16 MR. BERRY: I object to this whole line  
17 of questioning as being irrelevant, Your Honor, as  
18 certainly tax exempt status is no foundation for  
19 recognition of religion.

20 THE REFEREE: Various things can be  
21 indicia, so overruled.

22 BY MR. MOXON:

23 Q Does what you have referred to as "your  
24 Church" have a religious denomination?

25 MR. GREENE: As in Baptist, Catholic?



3 1 Q BY MR. MOXON: As set forth in the  
2 California evidence code?

3 A I would say that in that the beliefs of  
4 the Church is non-Scientological, but biblical, that  
5 it's more aligned with Christian.

6 Q Aligned with Christianity.

7 Is there a belief in Jesus Christ?

8 A There is a Christian belief that when  
9 members of the Church are together, God is present.

10 Q Is there a belief in Jesus Christ?

11 A I have a belief in Jesus Christ.

12 The Church does not discuss the subject  
13 of Jesus Christ.

14 Q I don't understand how it's Christian then  
15 if there is no belief in Jesus Christ.

16 MR. GREENE: Argumentative.

17 MR. MOXON: I'm setting a foundation.

18 Q BY MR. MOXON: Can you explain to me how  
19 you would fit into a, any form of Christian  
20 denomination or belief without a belief in Christ?

21 A Okay.

22 Just to repeat what I said earlier, that  
23 the belief that when members are together God is  
24 present, is Christian.

25 Q Is that the full answer?

1 A In addition to what I said before.

2 Q You've not had any communications with  
3 any Christian organization, have you, for recognition  
4 or association?

5 A No.

6 Q Is there any confessional procedure in  
7 what you denominate, what you call your Church?

8 A I'm not sure what you mean by  
9 "procedure."

10 Q Are you aware of any confessional  
11 procedure?

12 A You must define --

13 I have explained to you that I consider  
14 that those words which are uttered to me, which is  
15 given to me, are sacred, and I deal with them in that  
16 manner.

17 In that sense and in the broadest of  
18 sense, someone is safe to confess anything to me. I  
19 do not demand confession.

20 Q That's your own thought processes with  
21 respect to communications made to you.

22 My question to you is is there any fixed  
23 procedure?

24 A I'm not sure what you mean by a "fixed  
25 procedure."



3 1 Q When any member communicates to you, do  
2 you consider that to be a confession of some kind?

3 A If in those communications is contained a  
4 confession, I recognize what a confession is, yes.

5 Q There is no procedure at all for starting  
6 or stopping a confession or whether a member even  
7 knows it's confession, right?

8 A I think that a member would know when a  
9 member is confessing.

10 Q My question to you is is there any exact  
11 procedure for beginning and/or ending what you allege  
12 to be a confession?

13 A In my mind, the end of a confession would  
14 be forgiveness.

15 Q Could you please answer my question?

16 A That's as far as I can go.

17 Q So there is nothing except in your own  
18 mind?

19 A In my mind that's the end of a  
20 confession.

21 Q Is there any specific procedure for the  
22 starting and stopping of what you allege to be a  
23 confession, other than in your own mind?

24 A Not what you mean by specific procedure.

25 Q There is no written procedure, correct?



1           A           Correct.

2           Q           Do you view all communications with  
3 members as confidential, is that correct?

4           A           I temper that with -- as I've stated in  
5 the declaration on the subject, and as I've stated  
6 under oath -- that is that where matters of safety,  
7 courtesy, wisdom or stupidity enter in, the example  
8 that the Judge brought up past assault.

9           Q           Does that fit into the category of  
10 unwise, unsafe, stupid or discourteous, a casual  
11 conversation?

12          A           For example, it would be a stupid or  
13 unwise if someone says can I ask the waiter for the  
14 salt, to not relay that communication.

15          Q           You don't consider communications to be  
16 privileged if in your mind it would be unwise to  
17 consider them to be privileged?

18          A           Let me give you an example.

19          Q           Could you please answer my question  
20 first?

21          A           If it would be unwise, that is correct.  
22 If it would be unsafe, that is correct.

23                    So to answer -- which I did not answer  
24 yesterday because I had not given it enough thought,  
25 the subject of crimes -- that would be stupid and

3           1       unwise, and unsafe and discourteous.

          2           Q       And there is no set policy or procedure  
3       as to when communications are not privileged, isn't  
4       that right?

          5                   It's just in your own mind?

4           6           A       No, all communications are sacred. I  
7       treat them that way.

          8           Q       Even ones concerning criminal acts would  
9       still be sacred?

10          A       Again, I temper that with what is stupid,  
11       unwise, unsafe or discourteous.

12          Q       So they're not sacred if they're stupid,  
13       unwise, unsafe or discourteous?

14          A       I don't think you've understood.

15          Q       If you can specifically answer my  
16       questions?

17          A       You don't ask specific questions, you  
18       twist things around, around, around until we arrive at  
19       a point to where we're not really communicating. You  
20       don't wish to hear my answer.

21          Q       Listen to my questions. We have very  
22       little time here and we have wasted a lot of it.

23                   Do you view then that a communication  
24       concerning criminal acts is or is not sacred between  
25       you and a member?



4 1 A That question does not make sense. It  
2 may or may not.

3 Q It might be sacred, it might not, it  
4 might be privileged and might not be?

5 A You would need to give me an example.

6 If I was talking to a member of my Church  
7 and he was discussing criminal acts, that  
8 communication's sacred.

9 If on the other hand he was discussing  
10 the intention of the commission of a criminal act, I  
11 would act in a wise manner and I would try to act in a  
12 safe manner. So I do not implement the beliefs, the  
13 corrolary and the obvious in either an unsafe,  
14 discourteous or stupid manner.

15 Q Could you specifically answer my question  
16 Mr. Armstrong?

17 My question to you is if there is a  
18 discussion of a criminal act between yourself and  
19 another member, it may or may not privileged, is that  
20 correct?

21 MR. GREENE: Objection, vague and  
22 ambiguous. Whether or not the criminal act occurred  
23 in the past, is being planned in the future or is  
24 about to happen?

25 A Or concerns other people or concerns, for



4 1 example, your organization. It could concern  
2 anything.

3 Q BY MR. MOXON: If there is a discussion  
4 of a criminal act concerning the Church, is that a  
5 sacred communication?

6 A It may or may not.

7 MR. GREENE: Which Church?

8 Q BY MR. MOXON: Church of Scientology.

9 A It might be sacred.

10 Q There is a discussion between yourself  
11 and the other member concerning the commission of a  
12 future criminal act against the Church of Scientology,  
13 is that considered sacred?

14 A It may or may not be. I can't answer.

15 But generally if I knew of a serious  
16 intention to commit a criminal act, then I would act  
17 about that.

18 Q That's not the question Mr. Armstrong.

19 A I don't know how to answer it because  
20 your question is so broad and so un-understandable.

21 MR. MOXON: Can I have an instruction to  
22 the witness to simply answer the questions?

23 THE REFEREE: I know it, but I consider  
24 he has answered the question.

25 It wasn't a yes or no answer, but it was

4 1 internally consistent. So go ahead.

2 Q BY MR. MOXON: If a communication is  
3 stupid between yourself and a member, do you consider  
4 that to be not privileged?

5 A You're misinterpreting what I said.  
6 If the holding of a communication as  
7 sacred and the non-relaying of that communication  
8 results in a stupidity, then I would relay the  
9 communication or I would report what I was advised to  
10 report.

11 Q Does the Church have any tenants, your  
12 alleged Church?

13 A I've given you what I can of those.

14 Q That was the belief, the corrolary and  
15 the obvious?

16 A Right.

17 Q Nothing in the belief, the corrolary or  
18 the obvious makes specific reference to any privilege  
19 of communication, does it?

20 A It doesn't use those words. It calls the  
21 communications sacred.

22 Q Do you have a job?

23 A Yes.

24 Q What is it?

25 MR. GREENE: Objection, irrelevant.



4 1 THE REFEREE: What's your thought?

2 MR. MOXON: Well, I would think a  
3 foundation of whether a person is employed could be a  
4 foundational question as to any deposition.

5 However Your Honor, he alleges that he's  
6 an illuminary church. And I'm asking him if he has a  
7 job, if he has a job with the Church. If he doesn't  
8 have a job with the Church I'm trying to find out what  
9 he does.

10 MR. GREENE: That's a different question.

11 THE REFEREE: Excuse me.

12 My recollection of the testimony is that  
13 the Church has 30 members that he knows of. I suggest  
14 that a 30 member Church can't really support a leader,  
15 member.

16 I really don't see why there should be  
17 any problem about saying what somebody does. If  
18 somebody has a job it's in the sense of a background  
19 thing. I don't see it as really too important one way  
20 or another.

5 21 MR. MOXON: It may or may not be.

22 THE REFEREE: You can't be a full-time  
23 operator of a 30 million Church.

24 MR. MOXON: There is no Church, Your  
25 Honor.



5           1                   The witness has said there is no Church,  
2           there is no name, no building, they don't bring any  
3           money in.

4                   I'm establishing facts that there is no  
5           conceivable privilege here. I would like to be  
6           permitted to get the facts here.

7                   THE REFEREE: Okay.

8                   What do you do Mr. Armstrong?

9           A           Aside from anything that I do with  
10          regards to the Church, I am a paralegal, and I am the  
11          director of another business.

12          Q           BY MR. MOXON: Who are you a paralegal  
13          for, Mr. Greene?

14          A           Yes.

15          Q           Is he a member of your Church?

16          A           Yes.

17          Q           When did he become a member of your  
18          Church?

19          A           My recollection is approximately August  
20          or September of 1991.

21          Q           When you got hired to work on the Aznaran  
22          case, around that time?

23                   MR. GREENE: Objection, irrelevant.

24                   THE REFEREE: Overruled, you can answer  
25          that.

1 A Sometime after that.

2 Q BY MR. MOXON: What gives you the  
3 authority to forgive anyone?

4 MR. BERRY: Objection Your Honor,  
5 harassing.

6 A (No response)

7 Q BY MR. MOXON: According to your,  
8 according to any religious precedent of any kind?

9 A God.

10 Q Anything else?

11 A That's all there is.

12 Q What can be forgiven?

13 A That which needs to be forgiven.

14 Q How do you know what needs to be  
15 forgiven?

16 A That too comes from God.

17 Q Nothing in writing about this, is there,  
18 the forgiveness aspect of any practice?

19 A I have studied the subject a great deal.

20 Q Nothing in writing?

21 A There is a great deal in writing.

22 Q In relation to what you call a "Church,"  
23 right?

24 A A great deal.

25 Q It's not in the belief, corrolary or the

5 1 obvious, correct?

2 MR. GREENE: Your Honor, at this point  
3 the deposition's starting to turn into -- it's not  
4 asking foundational questions but it's an  
5 interrogation that's directed as to whether or not the  
6 perception of Mr. Armstrong's Church are true and/or  
7 are valid. And that's a direct violation of the  
8 "United States versus Ballard" and it's starting to go  
9 over the line. It's starting to become bothersome in  
10 that way.

11 And I object to those types of questions  
12 that are directed towards the truth or validity of Mr.  
13 Armstrong's Church. And of all people, Mr. Moxon  
14 ought to know about that.

15 MR. MOXON: You're mistaken Mr. Greene.  
16 Every one of my questions goes to the evidence code  
17 sections relating to the establishment of  
18 clergyman-penitent privilege and and nothing else.  
19 There are specific requirements there. I'm probing  
20 those requirements.

21 MR. BERRY: I join in the objection.

22 THE REFEREE: I think we have really been  
23 through this quite a bit Mr. Moxon.

24 MR. GREENE: It's also asked and  
25 answered.



5 1 Q BY MR. MOXON: In looking through my  
2 notes yesterday I find it's unclear as to whether or  
3 not you spoke to Yanny at any time concerning a  
4 privilege attaching, that is a priest-penitent  
5 privilege attaching to communications with him.

6 MR. GREENE: Objection, asked and  
7 answered. Directly.

8 MR. BERRY: I also object on behalf of  
9 Mr. Yanny, who holds the priest-penitent privilege  
10 here, and instruct the witness not to answer unless he  
11 can do so without violating the privilege.

12 THE REFEREE: Well --

13 MR. GREENE: We went through this for 10  
14 minutes yesterday.

15 THE REFEREE: We went through it quite a  
16 bit, and it's very unclear in my mind as to what Mr.  
17 Armstrong's position is, so Mr. Moxon isn't the only  
18 one whose notes may be less than clear.

19 It is beyond my belief that every  
20 communication between two Church members can satisfy  
21 the privilege requirement. I can accept the fact that  
22 a new Church exists, I can accept the fact that the  
23 new Church may have some rules.

24 Whether Mr. Yanny thinks that something  
25 is covered by the privilege is not controlling.

5 1 Whether Mr. Armstrong thinks that it is covered by the  
2 privilege is not controlling. There has to be some  
3 balance of understanding and common sense as to what  
4 the priest-penitent communications really have to do,  
5 I think, in the law, with some principle involving  
6 confidence and confession; the concept of that kind of  
7 thing.

8 And Mr. Armstrong has stressed  
9 forgiveness as a tenant of the Church. And I can  
10 understand that that could be a worthwhile tenant on  
11 which a Church should be able to rely.

12 I have taken Mr. Armstrong's answers to  
13 repeated questioning about crimes. And of course if  
14 somebody confesses a crime in a priest-penitent  
15 situation, that's a privileged matter. And to me  
16 discussing the planning of a commission of the crime  
17 would not necessarily fall in that category, and I  
18 took Mr. Armstrong's answer to be in that tenor.

6 19 And that's about where we are. I'm  
20 unable to judge absolutely as to whether this Church  
21 exists or not, but I think there is enough evidence to  
22 say that a belief of some kind is stated to be held by  
23 people and it can support some kind of confidential  
24 relationships. But whether it supports it to the  
25 extent that Mr. Armstrong has claimed in the past is



6 1 something we'll have to take question by question Mr.  
2 Moxon.

3 That's my state of mind at the moment and  
4 I'll leave it to you how you want to explore this.

5 MR. MOXON: With respect to whether or  
6 not a privilege exists, I think that probably that is  
7 an issue that should be briefed. There is case law on  
8 it. There are a number of very specific requirements  
9 in the code. We could just argue it now. I don't  
10 know if the court's recollection, just based on the  
11 testimony that it's heard, is adequate.

12 Furthermore, there has been a prior  
13 deposition and yesterday I was instructed not to go  
14 much into questions that had been asked and answered  
15 before. I know the court is not aware of all the  
16 prior testimony. There is prior testimony that I  
17 think in part would eviscerate the privilege in  
18 conjunction with the testimony we have heard today and  
19 yesterday.

20 Do I understand that the court informally  
21 tends to make a ruling as to whether or not the  
22 privilege exists, just based on what it's heard here  
23 without the benefit of the prior --

24 THE REFEREE: I'll proceed any way you  
25 want me to. I'm trying to referee the deposition at



6 1 the moment, and all you can depend on is my state of  
2 mind, which I've tried to outline for you.

3 I'm not trying to -- I'm really trying to  
4 relate common sense and religious experience in a  
5 general way and I operate, as I think I should, on the  
6 premise that Mr. Armstrong is telling the truth, Mr.  
7 Yanny was telling the truth, the witness the other  
8 side will be deposing will be telling the truth,  
9 until I have some good reason to believe to the  
10 contrary.

11 Any position can be taken to ridiculous  
12 lengths. By "position" I mean any claims of  
13 privilege. And that's the reason I used the salt  
14 example yesterday. Which I think is understandable to  
15 everybody.

16 I think it would be fair to ya'all on  
17 both sides to say -- I'm probably going to find it  
18 very hard to believe that every mention of the Church  
19 of Scientology or some of its adjuncts in a  
20 conversation between Mr. Yanny and Mr. Armstrong is  
21 going to be claimed to be privileged. But I have no  
22 idea until we get into it.

23 MR. MOXON: Alright. Thank you.

24 THE REFEREE: You just, you should decide  
25 how you want to proceed.

6 1 If you want me to read a lot of things  
2 and you want to brief something, I'll be glad to do it  
3 if you give me a chance to do it. How we do it and  
4 proceed with Mr. Armstrong's deposition is another  
5 problem.

6 MR. MOXON: Then let me continue to ask  
7 the remaining questions I have concerning this issue.

8 THE REFEREE: Alright.

9 Q BY MR. MOXON: Mr. Armstrong, a moment  
10 ago we discussed when a member would allegedly know or  
11 not know whether there is a confession occurring.

12 Is it your position that in the practice  
13 that you've developed in this Church, that you provide  
14 forgiveness for something that a person confesses,  
15 indicating that they have done something they believe  
16 they have done against their own morale convictions  
17 for which they need forgiveness?

18 A Forgiveness is technically the  
19 recognition that that which needs forgiveness didn't  
20 happen.

21 Q It never happened at all?

22 A It didn't happen. That its effect in  
23 effect is nothing.

24 That's what needs to be recognized. That  
25 nothing changed. That God didn't desert the person as



6 1 a result of whatever the person considered happened or  
2 I considered happened. That salvation does occur and  
3 the reality is unchanged, and that is what forgiveness  
4 is. That's the recognition that needs to occur.

5 Q You don't give forgiveness for something  
6 which doesn't need to be forgiven, correct?

7 A In truth, nothing needs to be forgiven.

8 Q Mr. Armstrong, you're going around in  
9 circles.

10 A No, you just simply don't understand.

11 It isn't that I'm going around in  
12 circles. You'll find that my testimony and my beliefs  
13 are consistent. But you happen to have your own  
14 belief which does not countenance the existence of  
15 God.

16 MR. MOXON: Could you read back my  
17 question please?

18  
19 (The record was read as follows:

20 Q You don't give forgiveness  
21 for something which doesn't need to be  
22 forgiven, correct?)

23  
24 MR. MOXON: Can you answer please?

25 A Right. So you do. In truth.



6 1 Q BY MR. MOXON: You do give forgiveness  
7 2 for something --

3 A In truth forgiveness is not needed. But  
4 because we are in this world in which there is the  
5 consideration that both, that there are sins for which  
6 one should be condemned, therefore this world cries  
7 out for forgiveness.

8 Q So you give forgiveness for things which  
9 are believed or considered in this world to be sins?

10 A Right.

11 Q And you don't give forgiveness for things  
12 which are not in this world considered to be sins,  
13 correct?

14 A This world requires forgiveness.

15 Q Can you answer my question please?

16 MR. GREENE: Object, vague and ambiguous.

17 MR. BERRY: This line of questioning  
18 seems to be straying way beyond what is necessary to  
19 lay the foundation as to whether a religious  
20 organization exists or not.

21 MR. MOXON: That is not the purpose of  
22 this question.

23 Could you please read back the question?  
24 (Indicating the reporter)

25 THE REFEREE: If you have the question in

7 1 mind you can answer it.

2 A Then in truth there isn't anything which  
3 needs to be forgiven.

4 Nevertheless, those things which cry out  
5 for forgiveness are forgiven.

6 Q BY MR. MOXON: And only those things  
7 which require forgiveness because they are sins  
8 against some consideration of this world, correct?

9 MR. GREENE: Same objection. Vague and  
10 ambiguous.

11 A (No response)

12 THE REFEREE: Do you understand the  
13 question?

14 THE WITNESS: I have my understanding of  
15 it. I think it differs from his understanding.  
16 (Indicating counsel)

17 THE REFEREE: Answer to the best of your  
18 ability.

19 A Illusion does not exist. And it is  
20 illusion which cries out for forgiveness. And  
21 forgiveness is the recognition that it doesn't exist.

22 Q BY MR. MOXON: Let me give you the  
23 question again. Let me see if you understand this.

24 You give -- foundational purpose -- you  
25 give forgiveness for things which are deemed to be



1 sins according to the standards of this world,  
2 correct?

3 MR. GREENE: Same objection. "Standards  
4 of this world" can be just about anything.

5 MR. MOXON: It's a term used by the  
6 witness.

7 THE REFEREE: You can answer.

8 A Yes, I do.

9 Q BY MR. MOXON: There is no need to give  
10 forgiveness for things which are not considered to be  
11 either a sin against the standards of this world or a  
12 violation of the morale code of the individual member,  
13 correct?

14 MR. GREENE: Same objection.

15 THE REFEREE: You may answer.

16 A If that includes those things which did  
17 not happen and are illusory, then that is included in  
18 forgiveness.

19 MR. MOXON: Would you please read back  
20 the question?

21  
22 (The record was read as follows:

23 Q BY MR. MOXON: There is no  
24 need to give forgiveness for things which  
25 are not considered to being be either a



1 sin against the standards of this world  
2 or a violation of the morale code of the  
3 individual member, correct?)  
4

5 A You appear to have separated reality into  
6 things which don't exist and another set of things  
7 which don't exist. So all those things which do not  
8 exist require forgiveness.

9 Q BY MR. MOXON: So in your view anything  
10 that doesn't exist requires forgiveness?

11 A Correct. That's the recognition that  
12 they don't exist.

13 Q If it does exist does it also require  
14 forgiveness?

15 A No.

16 Q So if something actually happened it  
17 doesn't require forgiveness because it actually  
18 exists?

19 A God does not require forgiveness.

20 Q So you don't give forgiveness then for  
21 things that actually happened, right, only things that  
22 are illusory?

23 A Right.

24 Q I'm coming back to the question that  
25 started us off on this.

7 1 Did you or did you not ever speak to  
2 Yanny about whether or not a priest-penitent privilege  
3 attached to your communications with him?

4 MR. GREENE: Objection.

5 MR. BERRY: Objection, attorney-client  
6 privilege.

7 Attorney work product privilege.

8 Priest-penitent.

9 And instruct the witness not to answer.

10 To the extent the witness can answer  
11 without violating any of those privileges, he may.

12 MR. GREENE: It was asked and answered,  
13 yesterday. Join.

14 THE REFEREE: You may answer the question  
15 Mr. Armstrong.

16 A No.

17 Q BY MR. MOXON: Have you ever had any  
18 communications with Joseph Yanny since he allegedly  
19 became a member of your Church, in the presence of any  
20 third party?

21 A It's very possible.

22 Q It's possible that you know that you  
23 have, don't you?

24 MR. BERRY: Objection, Your Honor,  
25 argumentative.



7  
1 Q BY MR. MOXON: Can you recall specific  
2 conversations, Mr. Armstrong, where another person was  
3 present or participated?

4 A Yes.

5 THE REFEREE: He talked about one in the  
6 car yesterday.

7 MR. MOXON: We did.

8 Q BY MR. MOXON: When you say it was  
9 possible -- I'll leave that for the moment.

10 You have had numerous conversations with  
11 Yanny when other persons were present, didn't you?

12 A Yes.

13 Q Just for the purpose of impeachment of  
14 this witness, Your Honor, Mr. Armstrong, why did you  
15 answer "it's possible" that you have had such  
16 communications when you knew there were many?

17 A Just because I thought that your  
18 answer --

19 THE REFEREE: Your question.

20 A -- your question was somewhat ridiculous  
21 to begin with.

22 And that other than the fact that it was  
23 possible, nothing specific came to mind. You yourself  
24 were involved in a communication with me when Mr.  
25 Yanny was present.



7 1 MR. MOXON: Yes, indeed.

8 2 Q BY MR. MOXON: So if a question I asked  
3 you during a deposition you consider to be ridiculous,  
4 have you in other instances not given me a direct  
5 answer because you've deemed it was unnecessary  
6 because my question was ridiculous?

7 MR. GREENE: Objection, compound, vague  
8 and ambiguous.

9 MR. BERRY: Unintelligible.

10 MR. GREENE: No foundation.

11 A If your question was ridiculous it's  
12 possible.

13 MR. MOXON: Your Honor, can I have an  
14 instruction to the witness to directly respond to my  
15 question, whether he thinks they're ridiculous or not?

16 THE REFEREE: That's fair enough.

17 You certainly are entitled to have an  
18 opinion of the question, and I'm sure Mr. Moxon has an  
19 opinion of some of the answers. Let's try the  
20 jousting to a minimum on each side and we will get  
21 this thing over with.

22 THE WITNESS: Agreed Your Honor.

23 Q BY MR. MOXON: Did you ever have any  
24 communications with Joseph Yanny when Vicki Aznaran  
25 could overhear the communication?

8 1 MR. BERRY: Objection, attorney-client  
2 privilege.

3 Attorney work product privilege.

4 Priest-penitent privilege.

5 To the extent that his answer wouldn't  
6 violate those privileges he may answer.

7 A I have a recollection of being around  
8 both of them at the same time.

9 Q BY MR. MOXON: In person? The three of  
10 you were together in person?

11 A Yes.

12 Q Did you have any --

13 What you would deem to be protected  
14 priest-penitent communications with Yanny while  
15 Aznaran was there?

16 A I may have. I have no recollection of  
17 any communications.

18 Q Did you ever talk to Yanny about the  
19 Church when -- Church of Scientology -- when Aznaran  
20 was present?

21 MR. BERRY: Object, asked and answered.  
22 He just said he has no recollection.

23 THE REFEREE: Well, this is, it's  
24 certainly a hostile examination, and this may refresh  
25 your recollection. You may answer that.



8 1 A I have no recollection of any of the  
2 communications that I had with them at that time.

3 Q BY MR. MOXON: Do you remember testifying  
4 about a phone conference call you were involved in  
5 with yourself, Yanny and Vicki Aznaran?

6 A No.

7 MR. GREENE: Objection, Your Honor,  
8 objection. The witness is not required to comment on  
9 his prior testimony.

10 Counsel can ask direct questions if he  
11 wants, but I believe it's improper for counsel to  
12 attempt to get Mr. Armstrong to provide a commentary  
13 on that which Mr. Moxon believes Mr. Armstrong has  
14 testified to before.

15 THE REFEREE: Well, alright. Sustained,  
16 just as to the form of the question.

17 Q BY MR. MOXON: Would it refresh your  
18 recollection of a conversation you swore to before,  
19 Mr. Armstrong, if I told you that in your deposition  
20 transcripts it says that you swore that you had a  
21 conversation with Yanny and Aznaran over the  
22 telephone?

23 MR. BERRY: Objection, Your Honor.

24 Let's see the specific transcript rather  
25 than taking counsel's word for what it says.

8 1 MR. GREENE: Not only that, since there  
2 is a Mr. and a Ms. Aznaran, when counsel makes  
3 reference to "Aznaran," whether or not he's referring  
4 to one or the other or both.

5 MR. MOXON: I'm not testifying. I'm  
6 trying to fresh the witnesses recollection. He claims  
7 he doesn't recall this incident. He swore to it  
8 before. He says he doesn't remember now.

9 THE REFEREE: I thought the questioning  
10 was concerned with conversations, face-to-face  
11 conversations. And then I take it there is a separate  
12 line of questioning concerning the conversations, am I  
13 correct?

14 MR. MOXON: That is correct Your Honor.

15 THE REFEREE: Do you recall any telephone  
16 conversations -- and I gather participated in by you,  
17 Mr. Yanny and is it Ms. --

18 MR. MOXON: Aznaran.

19 A Right.

20 There was a telephone conversation. I do  
21 not believe it was a conference call. I was not on  
22 the telephone and I recall that conversation.

23 I was present when he spoke to Vicki  
24 Aznaran. Other than perhaps saying hi I did not  
25 participate in that telephone call.



8 1 Q BY MR. MOXON: It was on a speakerphone,  
2 correct?

3 MR. BERRY: Objection. I object to this  
4 line of questioning. I believe the witness may have  
5 been employed by Mr. Yanny at the time as a paralegal.  
6 If that's the case then there is an attorney work  
7 product privilege that would be violated or risked.

8 THE REFEREE: There may be some risk. I  
9 don't know if there is any risk so far.

10 Do you recall whether there was a  
11 speakerphone?

12 Was the location the office, law office?

13 A It was in Joseph Yanny's office. I was  
14 there one day.

15 It possibly was that Vicki Aznaran was  
16 put on the speakerphone for an instant and then taken  
17 off, because I did not participate in whatever the  
18 communication was. I just was aware that there was a  
19 call to the office or from the office, and I was in  
20 Mr. Yanny's office, within his suite of offices at  
21 that time.

22 Q BY MR. MOXON: By the way, Mr. Greene  
23 indicated that you were employed by Joseph Yanny as a  
24 paralegal, is that correct?

25 MR. GREENE: Objection, Mr. Moxon. That

8 1 was Mr. Berry that made that comment.

2 A (No response)

9 3 Q BY MR. MOXON: Mr. Berry indicated that  
4 you were employed by Mr. Yanny as a paralegal, is that  
5 correct?

6 MR. GREENE: Objection, that's on the  
7 record. Whatever Mr. Berry said, the record will  
8 speak for itself.

9 Ask him a direct question, not to give  
10 commentary.

11 THE REFEREE: Just as to form.

12 Q BY MR. MOXON: Were you employed by Yanny  
13 as a paralegal?

14 THE REFEREE: At any time?

15 A I think it would be accurate to say that  
16 Mr. Yanny had the intention of employing me as a  
17 paralegal. And that I did spend part of two days in  
18 his office.

19 And the only actual work which I did was  
20 to draft two declarations, which I executed in his  
21 office. That was the only work which I did of a  
22 paralegal or any other nature.

23 Q BY MR. MOXON: Can you answer my question  
24 then?

25 A I have answered it very fully.



9 1 Q Were you employed by Yanny as a  
2 paralegal, yes or no?

3 A If by "employed" do you mean did he, did  
4 we enter into an agreement for employment? No.

5 If by "employment" do you mean was I paid  
6 for my services? No.

7 If by employment you mean did I, while in  
8 his office, draft and execute two declarations? Yes.

9 Q Did Yanny ask you to work for him as an  
10 employee?

11 A Mr. Yanny asked for my help. That is  
12 what he did.

13 He did not say please come down and work  
14 as a paralegal as my employee. He did not say that.

15 Q He never said that to you?

16 A The subject has come up --

17 Q That's fine.

18 A -- as to the possibility. But that is  
19 the only work which I have done of that nature for Mr.  
20 Yanny.

21 Q Yanny did talk to you about working for  
22 him as a paralegal?

23 MR. GREENE: Objection, asked and  
24 answered fully.

25 Q BY MR. MOXON: You said the subject came

9  
1 up?

2 THE REFEREE: It's not that cut and  
3 dried.

4 You may answer if you have something to  
5 add to what you've said before.

6 MR. BERRY: I instruct the witness not to  
7 answer as to anything that may violate the attorney  
8 work product privilege.

9 The witness was in his office for two  
10 days, it was obviously a result of Mr. Yanny's  
11 intention that this witness may work for him. So he  
12 became aware of, possibly of many things which are of  
13 a privileged nature. Just like the attorney-client  
14 privilege conversations which are had in the  
15 expectation of employment are privileged. So also  
16 conversation in the expectation of employment --

17 MR. MOXON: I object to Mr. Berry  
18 testifying.

19 THE REFEREE: It's kind of a speech Mr.  
20 Berry. But anyway.

21 I don't see that there is anything  
22 privileged in this question of whether there was or  
23 what the discussion was about employment. A person is  
24 either employed or not employed or -- whether you  
25 discussed salary or terms of employment, that kind of



9 1 thing, that normally would not be privileged.

2 THE WITNESS: Nothing about salary and no  
3 terms of employment were discussed.

4 MR. MOXON: Can you wait until I ask a  
5 question?

6 THE REFEREE: I caused that.

7 Q BY MR. MOXON: Did you have any  
8 discussions with Yanny about working for him as a  
9 paralegal?

10 A Only to the extent that at his request  
11 for help I came down, and at that time spent part of  
12 two days in his office, at which time the only work  
13 which I did was to draft and execute the two  
14 declarations.

15 Q You had no actual discussions with Yanny  
16 about being employed by him or his firm, is that  
17 right?

18 MR. BERRY: Objection, mischaracterizes  
19 the testimony.

20 You may answer the question.

21 A I do not recall the specifics of it, but  
22 I did walk away with the idea that at some time in the  
23 future maybe there would be an opportunity to do some  
24 work of some kind. But I was there for a very limited  
25 amount of time. I was on my way to South Africa. I

9 1 had no intention of spending longer time.

2 MR. MOXON: There is no question pending.

3 THE REFEREE: He's still answering the  
4 question.

5 MR. MOXON: There is such a limited time.

6 MR. GREENE: If the witness is trying to  
7 answer the question and Mr. Moxon doesn't like the  
8 answer, that is no reason for Mr. Moxon to say stop.

9 THE REFEREE: That is the way Mr.  
10 Armstrong answers questions.

11 I'm going to take a few minute recess at  
12 this time and ask Mr. Moxon to check with his office  
13 and see if -- and then to communicate directly with  
14 Mr. Berry and see where we are with the discovery. So  
15 we can use the time to the best of our ability.

16  
17 (Recess taken 9:55 a.m. to 10:20  
18 a.m.)

19  
20 MR. MOXON: Back on the record.

21 THE REFEREE: Back on.

22 Q BY MR. MOXON: I'm sorry, it's just been  
23 pointed out to me there is another potential ambiguity  
24 with respect to the question concerning your  
25 discussions with Mr. Yanny regarding the privileges,



0 1 and that I asked you did you or did you not have any  
2 discussions with Yanny regarding priest-penitent  
3 privilege. Your response was no.

4 You meant that you had no such  
5 discussions, correct?

6 A Right.

7 Q Have you had any communications with  
8 Joseph Yanny in the presence of Lauren Phippeny?

9 A Yes.

10 Q Were those communications with Yanny  
11 privileged in your view?

12 A Yes.

13 Q Have you had any communications with  
14 Yanny in the presence of Bent Corydon?

15 A Yes.

16 Q Were those communications privileged, in  
17 your view?

18 A I cannot at this time recall a specific  
19 communication, but it's my belief that --

20 I simply cannot recall a specific  
21 communication. But they would have been.

22 Q We're talking about the priest-penitent  
23 privilege now?

24 A Right.

25 Q And we're not talking about

1 attorney-client privilege?

2 A Right.

3 Q Your answer's the same?

4 A Yeah.

5 Q Have you had any communications with  
6 Joseph Yanny in the presence of Ford Greene?

7 A I have a sense of the three of us being  
8 together.

9 Q Do you consider those --

10 A But I don't want to swear to that until I  
11 can actually put us together. So I just --

12 Q You deem all those communications --

13 A I don't know that the three of us have  
14 ever been together.

15 Q So you're unsure at this point, but if  
16 you had such communications you would deem them to be  
17 privileged?

18 A It's difficult to say, again, in the very  
19 abstract, but I would treat most of the communications  
20 to me in that manner.

21 Q Privileged?

22 A Right.

23 Q Have you ever had any communication with  
24 Yanny in the presence of Berry Van Sickle?

25 MR. BERRY: I raise the possibility,



0 1 Your Honor, of the attorney work product privilege to  
2 the extent it involves Mr. Yanny.

3 THE REFEREE: With that in mind, do you  
4 recall any conversations, any such conversation?

5 A I recall being present with the two of  
6 them. And that would have been I think around the  
7 time of the trial. In was it 1990.

8 Q BY MR. MOXON: No, more recently.  
9 Are you talking about the Yanny I case?

10 A Right, Yanny I.

11 And I don't think I've been together with  
12 them subsequently.

13 Q Is Yanny married?

14 MR. BERRY: Objection, relevancy.

15 A Yes.

16 THE REFEREE: Overruled. The answer is  
17 yes.

18 Q BY MR. MOXON: Have you had any  
19 communications with Yanny in the presence of Yanny's  
20 wife?

21 A Yes.

22 Q Do you consider them to be privileged,  
23 priest-penitent privilege?

24 A Certainly some of them.

25 Q Do you know that Yanny claimed a

1 privilege for communications with Bent Corydon  
2 asserting that he was a member of Bent Corydon's  
3 Church?

4 Are you aware of that?

5 A I have read something to that effect in  
6 that Mr. Drescher brought it up in a hearing.

7 Q Is Bent Corydon a member of your Church?

8 A Yes.

9 Q And your communications with him you deem  
10 to be privileged also?

11 A I think the majority of any  
12 communications would fall under that.

13 Q Corydon still has his own Church, right?

14 A I'm not aware of another Church.

15 Q You knew that Yanny had claimed a  
16 privilege for communication with Corydon, asserting  
17 that he was a member of Corydon's Church, right?

18 MR. GREENE: Objection, asked and  
19 answered.

20 THE REFEREE: I think it has been asked  
21 and answered.

22 A (No response)

23 Q BY MR. MOXON: Yet you're not aware of  
24 the fact that Corydon has a Church himself?

25 A I don't believe I've ever discussed that



0 1 with --

2 Don't know. Don't know anything about it  
3 other than what I've heard. I've never confirmed that  
4 with Bent.

5 Q Do you think it's a little inconsistent  
6 that Yanny claims to be a member of both your Church  
7 and Corydon's Church for the purposes in the  
8 litigation for asserting the priest-penitent privilege  
9 for his communications with both you and Corydon?

10 MR. GREENE: Objection, calls for  
11 speculation.

12 MR. BERRY: Argumentative, harassing,  
13 irrelevant.

14 THE REFEREE: Sustained.

15 I don't know of any rule that prevents  
16 somebody from having, belonging to five Churches if he  
17 wants to.

18 MR. MOXON: Your Honor, it's further  
19 indicated that --

20 THE REFEREE: Ruling stands.

21 Q BY MR. MOXON: In your prior deposition  
22 you testified that in February or March of 1991 you  
23 met with Mr. Yanny at his home.

24 During that meeting and conversation with  
25 Mr. Yanny did you have any conversations regarding

0 1 Scientology?

2 MR. BERRY: Objection, attorney-client  
3 privilege.

4 Attorney work product privilege.

5 Priest-penitent privilege.

6 Instruct the witness not to answer. He  
7 may to the extent it doesn't violate those privileges.

8 THE REFEREE: You may answer Mr.  
9 Armstrong.

10 A If by "Scientology" you mean the  
11 litigation in which we found our respective selves,  
12 then it is very possible.

13 And although I have no recollection of  
14 anything specific in that communication, it is very  
15 possible that we discussed the litigation in which we  
16 found ourselves.

17 Q BY MR. MOXON: You're claiming now you  
18 don't remember what you talked to Yanny about?

19 A Nothing specific.

20  
21 (Mr. Yanny arrived at the  
22 deposition)

23  
24 Q BY MR. MOXON: Did you ever have any  
25 communications with Yanny concerning the loyalists?



1 MR. BERRY: Objection, attorney-client  
2 privilege.

3 Attorney work product privilege.

4 Priest-penitent privilege.

5 Instruct the witness not to answer. He  
6 may to the extent it doesn't violate those privileges.

7 A I have given to Mr. Yanny declarations  
8 which I have filed which I have written which include  
9 a description of the operation of entrapment and the  
10 attempt to bring false criminal charges against me,  
11 which is what you're calling the loyalist operation.

12 MR. MOXON: I object and move to strike.

13 Q BY MR. MOXON: My question was very  
14 simple.

15 If you can answer the question simply,  
16 have you ever had any communications with Yanny  
17 concerning loyalists?

18 MR. BERRY: My objection will stand, and  
19 instructions.

20 THE REFEREE: I'm just trying to  
21 understand the answer to date.

22 Other than the supplying of a declaration  
23 have you had any other communications with Mr. Yanny  
24 on that subject?

25 A Then I have no specific recollection of

1 anything specific said about the loyalists.

2 Q BY MR. MOXON: I didn't ask you if you  
3 heard anything specific said.

4 I'm asking you if you had any  
5 communications with Yanny other than we'll exclude  
6 handing him a declaration, about the loyalists?

7 A I have no recollection of any  
8 communication specifically about the loyalists.

9 Q When you were at Yanny's home last  
10 summer, in August of last year, did you have any  
11 communications with Yanny about the loyalists?

12 MR. BERRY: Can I have a continuing  
13 objection to any violations of attorney work product,  
14 priest-penitent, attorney-client and instruct not to  
15 answer?

16 To the extent it doesn't violate he may  
17 answer.

18 THE REFEREE: You show a continuing  
19 objection and instruction.

20 A My recollection, I was not at Mr. Yanny's  
21 house in August of last year.

22 Q BY MR. MOXON: In July of last year were  
23 you at his house?

24 A Right, I was there in July.

25 THE REFEREE: July you were there?



1 THE WITNESS: Right.

2 Q BY MR. MOXON: Did you have any  
3 communication at Yanny's house last summer concerning  
4 loyalists?

5 MR. BERRY: Same objection. Same  
6 instruction.

7 A I have no recollection of any  
8 communication concerning loyalists.

9 Q BY MR. MOXON: Did you ever have any  
10 communication with Yanny wherein he stated or inferred  
11 that he had given Vicki Aznaran legal advice?

12 MR. BERRY: Same objection. Same  
13 instruction.

14 A Again, I have no recollection of anything  
15 that would come close to that.

16 Q BY MR. MOXON: Did you ever talk to Yanny  
17 about the Aznarans?

18 MR. BERRY: Same objection. Same  
19 instruction.

20 A The Aznarans have come up in  
21 conversations, but I have no recollection of, at this  
22 time, of anything specific.

23 Q BY MR. MOXON: Yanny ever talked to you  
24 about the Aznaran's lawsuit?

25 MR. BERRY: Same objection. Same

1 instructions.

2 A There are a couple of aspects of that  
3 that I have a recollection of.

4 Q BY MR. MOXON: Did Yanny tell you he was  
5 working on the Aznaran's lawsuit?

6 MR. BERRY: Same objection.

7 A I have testified to what he told me at  
8 the time, in July of 1991, when he asked for my help.

9 Q BY MR. MOXON: He told you he was taking  
10 over the Aznaran's lawsuit?

11 MR. BERRY: Same objection.

12 Mischaracterizes.

13 MR. MOXON: You've got a continuing  
14 thing.

15 A I don't think he used the term "taking  
16 over Aznaran's lawsuit."

17 My recollection was that he had come back  
18 in on the case, if that means the same thing. So I  
19 knew that at the time from his communications to me.

20 Q BY MR. MOXON: So he did tell you he was  
21 representing the Aznarans?

22 A Yes.

23 Q Your prior answer said you never knew he  
24 was providing legal advice in your communication with  
25 Yanny?



1           A           I think your question was --

2           Q           Did he tell you anything about what he  
3 was doing for the Aznarans?

4           A           I think your question was do you recall  
5 any of the legal advice that he gave, or any legal  
6 advice he gave to the Aznarans.

7                       And I still do not have any recollection  
8 of any legal advice that he had given the Aznarans  
9 that he told me.

10          Q           That wasn't my question.

11                      Did he tell you he had given them any  
12 legal advice of any kind?

13          A           I have no recollection of him saying that  
14 he had given them any legal advice.

15          Q           Did he tell you what aspect of the case  
16 he was working?

17                      The Aznaran case?

18          A           At the time that he called me he simply  
19 said that he was becoming involved.

20                      Now, when he asked for the declaration  
21 with regards to the Aznaran case, that specifically  
22 dealt with the effect of the gag settlement agreements  
23 which I was a party in. And the difficulty that that  
24 represented to the Aznarans in getting assistance and  
25 legal representation.

1           Q           When you were in Yanny's office  
2           overhearing this conversation between Yanny and Vicki  
3           Aznaran, what did Yanny say to her?

4           MR. GREENE:   Object.

5           MR. BERRY:   Mischaracterizes the  
6           testimony, and I specifically raise the objection and  
7           instructions.

8           MR. MOXON:   Answer.

9           MR. GREENE:   And it's also vague and  
10          ambiguous.

11          Coming on the heels of the line of  
12          questioning before, because the inference is that it  
13          was all part of the same package.

14          THE REFEREE:   Whatever the inference  
15          is --

16          MR. YANNY:    I would also, as the  
17          Aznaran's former counsel in that case would like to  
18          point out for the record that they're not represented  
19          here. And the questions being asked are invasive of  
20          their attorney-client privilege and my work product  
21          privilege with respect to the Aznaran case.

22          THE REFEREE:   Well, we have some  
23          questions as to -- let's approach it another way.

24          Do you have any -- yes or no -- do you  
25          have any recollection of what Mr. Yanny said to Ms.



1 Aznaran on that occasion?

2 THE WITNESS: No.

3 Q BY MR. MOXON: Did you talk to Yanny at  
4 any time about Vicki Aznaran's relationship to the  
5 Church?

6 MR. YANNY: As the Aznaran's former  
7 counsel I'm going to interpose an objection and note  
8 it one more time for the record, that they're not  
9 represented here, and object on the grounds that what  
10 is being asked for is invasive of their  
11 attorney-client privilege, potentially, and also my  
12 work product privilege insofar as the Aznaran case is  
13 concerned, and my duties with respect to Vicki and  
14 Richard while I represented them.

15 THE REFEREE: Bearing all that in mind,  
16 the objection's overruled.

17 Do you have the question in mind?

18 THE WITNESS: Yes I do, Your Honor.

19 THE REFEREE: You may answer.

20 A I have no specific recollection of a  
21 communication which dealt with that.

22 However, during the period of time when I  
23 was down at Mr. Yanny's place, and attended a day of  
24 trial in the Yanny trial, and so up to my knowledge at  
25 that time I learned that Vicki Aznaran had been the

2 1 head of, President I think it was, of Religious  
2 Technology Center.

3 MR. MOXON: I didn't ask you for all the  
4 communications.

5 THE WITNESS: That's fine.

6 Q BY MR. MOXON: So you're asserting the  
7 answer to my question is no, you didn't talk to Joseph  
8 Yanny about Vicki Aznaran's relationship to the  
9 Church?

10 A I'm not saying that.

11 Q The answer is --

12 I'm not asking what you learned  
13 generally. Did you ever talk to Yanny about Vicki  
14 Aznaran's relationship to the Church, yes or no?

15 MR. BERRY: Same objection.

16 MR. YANNY: On behalf of the Aznarans,  
17 same objection. Same instruction.

18 A I have no specific recollection of that  
19 specific conversation. But that during that period of  
20 time I did learn that fact.

21 Q BY MR. MOXON: During then you believe  
22 from Yanny you learned about Aznaran's relationship  
23 with the Church?

24 MR. GREENE: Objection, mischaracterizes.

25 Q BY MR. MOXON: Although you don't



2 1 specifically recall a specific conversation?

2 MR. GREENE: Objection, that  
3 mischaracterizes his testimony. It's been asked and  
4 answered.

5 MR. MOXON: I'm asking.

6 THE REFEREE: Well, it's a permissible  
7 question, and if you have the question in mind you may  
8 answer it Mr. Armstrong.

9 A Again without a specific conversation in  
10 mind -- because I don't have one -- I can't get one, I  
11 can't answer specifically where I learned that fact  
12 about Vicki Aznaran.

13 Q BY MR. MOXON: Did you ever have any  
14 communication with Yanny about his own relationship  
15 with the Church?

16 MR. BERRY: Same objection. Same  
17 instruction.

18 MR. GREENE: When you say "the Church,"  
19 you mean the Church --

20 MR. MOXON: Church of Scientology.

21 MR. GREENE: -- not Mr. Armstrong's  
22 Church?

23 MR. MOXON: Right.

24 A Again, without -- because I'm not able to  
25 place any specific conversation or even any

2 1 conversation at any time about that, I did learn about  
2 Mr. Yanny's relationship, at least the fact that he  
3 had represented them as counsel.

4 Q BY MR. MOXON: Mr. Armstrong, have you  
5 ever talked to Joseph Yanny about his relationship  
6 with the Church, yes or no?

7 MR. BERRY: Same objection. Same  
8 instruction.

9 A Yes.

10 Q BY MR. MOXON: Did Yanny tell you whether  
11 or not he had planned the filing of the Aznaran suit?

12 MR. BERRY: Same objection.

13 MR. GREENE: Join. And also on behalf of  
14 the Aznarans.

15 MR. MOXON: Answer.

16 THE REFEREE: Noted, but you may answer.

17 A No.

18 Q BY MR. MOXON: Did Yanny ever tell you  
19 about his involvement in the representation of the  
20 Aznarans?

21 MR. BERRY: Same objection.

22 MR. YANNY: Also assumes facts not in  
23 evidence.

24 A No.

25 Q BY MR. MOXON: Did Yanny ever ask you to



1 counsel him with respect to any problems arising out  
2 of the Aznaran litigation?

3 MR. BERRY: Objection, priest-penitent  
4 privilege specifically.

5 MR. GREENE: Also vague and ambiguous.

6 A I think with regards to what Mr. Yanny  
7 asked me to counsel him about, I definitely would  
8 refuse to answer.

9 THE REFEREE: Claiming the privilege?

10 THE WITNESS: Yes, Your Honor.

11 Q BY MR. MOXON: What privilege?

12 A Priest-penitent privilege.

13 MR. BERRY: Mr. Yanny is the holder of  
14 that privilege. I instruct him not to answer.

15 MR. GREENE: Also if any such  
16 communications transpired during the course of  
17 discussions of proposed employment by Mr. Yanny of Mr.  
18 Armstrong with respect to the Aznaran suit, it would  
19 fall within the scope of attorney work product.

20 MR. MOXON: He testified there weren't  
21 any, Mr. Greene.

22 THE REFEREE: I think that was the state  
23 of the discussion.

24 MR. MOXON: Your Honor, we have a number  
25 of questions concerning his specific communications

1 with Yanny. I guess we'll have to go ahead and brief  
2 the issue.

3 THE REFEREE: I think you better.

4 MR. MOXON: We'll reserve that. We're  
5 going to have to come back here.

6 THE REFEREE: I'm just thinking about how  
7 to make the best use of time and opportunity.

8 Do you want to make a record of the  
9 questions that you want to ask and see if the  
10 privilege is going to be claimed as to each of the  
11 questions, or whether some of the questions will be  
12 answered?

13 MR. MOXON: I will make a record of some  
14 of the questions. Obviously some would require follow  
15 up as well.

16 MR. BERRY: I would like to make the  
17 general observation we agreed to bring Mr. Armstrong  
18 down for the deposition and pay half the price of his  
19 airfare. That agreement was for one day only.

20 If there is an intention to brief this  
21 issue and we have to bring him back down again, I  
22 would request it be at the expense of plaintiffs  
23 alone.

24 MR. MOXON: The question I just asked was  
25 one Judge Cardenas ordered him to answer.



1 MR. GREENE: Judge Cardenas never ordered  
2 Mr. Armstrong to answer any questions. Mr. Armstrong  
3 was to do his best to respond to foundational matters.

4 That is a misrepresentation of what Judge  
5 Cardenas said.

6 MR. MOXON: I suggest we brief this  
7 issue.

8 THE REFEREE: I have everybody's position  
9 in mind, and we'll see what comes of it.

10 MR. BERRY: Cost, Your Honor?

11 THE REFEREE: I have that in mind too.

12 In other words let's just see what the  
13 briefing accomplishes and what the argument  
14 accomplishes.

15 Q BY MR. MOXON: Did Yanny ever tell you  
16 what subjects he has allegedly been counseled by Bent  
17 Corydon about?

18 MR. YANNY: I'm going to claim the  
19 priest-penitent privilege.

20 THE REFEREE: Just to save some time  
21 counsel -- treating Mr. Yanny as counsel this time  
22 also -- I'm going to consider that the objections  
23 stated as being made as to every question, is that  
24 fair?

25 MR. BERRY: I have a continuing

1 objection.

2 THE REFEREE: Which you have repeated on  
3 every occasion.

4 MR. BERRY: Just to remind the witness.

5 THE REFEREE: I don't think the witness  
6 lacks alertness in this area. I'll consider that the  
7 objections were made as to each question.

8 With that in mind do you have the  
9 questions in mind?

10 THE WITNESS: Right.

11 A And with regards to any communication of  
12 that nature which may have been, which may have  
13 occurred, I would decline to answer that.

14 THE REFEREE: Read the question back to  
15 me.

16 MR. MOXON: I can restate it.

17 Q BY MR. MOXON: Did you ever discuss with  
18 Yanny the subject or issues upon which he was  
19 allegedly counseled by Corydon?

20 MR. GREENE: May I have about a minute to  
21 talk with Mr. Armstrong please?

22 THE REFEREE: Sure. Take more than a  
23 minute.

24 ///

25



1 (Discussion held off the record  
2 between the deponent and counsel 10:50  
3 a.m. to 11:00 a.m.)  
4

5 Q BY MR. MOXON: Have you ever had any  
6 communication with Yanny about David Mayo?

7 THE REFEREE: Didn't we have an answer to  
8 your previous question?

9 MR. MOXON: He refused to answer.

10 THE REFEREE: Alright.

11 Q BY MR. MOXON: Have you ever had any  
12 communications with Yanny about David Mayo?

13 MR. BERRY: Same objection. Same  
14 instruction.

15 A I have no recollection of any  
16 communication.

17 Q BY MR. MOXON: Did you ever have any  
18 communications with Yanny about his allegations  
19 concerning Jay Felzer?

20 MR. BERRY: Same objection. Same  
21 instruction.

22 Let me make it a continuing objection.

23 THE REFEREE: It's noted that there is a  
24 continuing objection to each one.

25 A I think that any concerns that he may

1 have stated about Jay Felzer or his concerns to me,  
2 were in the context of the priest-penitent privilege.

3 MR. MOXON: We'll note that for a motion.

4 THE REFEREE: Okay.

5 Folks, I'm trying to keep all this  
6 straight. And you've stated that your recollection --  
7 I think Mr. Armstrong confirmed it -- is that as to  
8 the questions about conversations with Mr. Yanny about  
9 the other plaintiff -- I can't remember his name right  
10 at this minute -- in the last question before we had  
11 that little break --

12 MR. GREENE: Corydon.

13 THE REFEREE: Is it your position that  
14 any conversation you might have had with Mr. Yanny  
15 regarding his conversation with Mr. Corydon would fall  
16 in the priest-penitent privilege, within that?

17 THE WITNESS: The question as I recall it  
18 being asked was did he discuss with me any of the  
19 subjects that he obtained counseling from Mr. Corydon  
20 regarding. And that the subject of counseling  
21 occurred in that question.

22 Q BY MR. MOXON: Did Yanny ever tell you  
23 that he regretted some of the things he had done to  
24 the Church?

25 MR. BERRY: Objection.



4 1 THE REFEREE: Same objection.

2 A No.

3 Q BY MR. MOXON: Did Yanny ever tell you  
4 about any of the things he had done concerning the  
5 Church that he believed required forgiveness?

6 MR. YANNY: Objection, vague.

7 THE WITNESS: Read back two questions  
8 ago. The last question and the question before.

9 Did you say to the Church?

10 MR. MOXON: That's right.

11  
12 (The record was read as follows:

13 Q BY MR. MOXON: Did Yanny  
14 ever tell you that he regretted some of  
15 the things he had done to the Church?

16 A No.

17 Q BY MR. MOXON: Did Yanny  
18 ever tell you about any of the things he  
19 had done concerning the Church that he  
20 believed required forgiveness?)

21  
22 MR. BERRY: Vague and ambiguous Your  
23 Honor.

24 It may include what he had done on behalf  
25 of the Church that requires forgiveness.

1 THE REFEREE: If you understand the  
2 questions, as far as I'm concerned you can answer  
3 them.

4 If you're going to change your answer to  
5 the earlier question you should make that clear.

6 THE WITNESS: No. I just wanted to make  
7 sure that I had heard what I believe I heard.

8 I answered the first question.

9 With regards to the second question, then  
10 I would decline to answer and assert the privilege of  
11 priest-penitent privilege.

12 Q BY MR. MOXON: Do you know if Yanny uses  
13 any illegal drugs?

14 MR. BERRY: Objection, Your Honor.  
15 Relevancy.

16 First amendment privileges.

17 Self-incrimination. The whole gamut.

18 A With regards to --

19 MR. BERRY: Instruct the witness not to  
20 answer.

21 THE REFEREE: With all that in mind, do  
22 you have an answer?

23 Or do you claim privilege?

24 A I would claim a privilege to that.

25 Q BY MR. MOXON: All these privileges are



4  
1 the alleged priest-penitent privilege?

2 A That's the privilege which I claim.

3 Q Did Yanny ever give you any drugs?

4 MR. GREENE: Objection. Fifth Amendment  
5 right against self-incrimination.

6 MR. BERRY: That's way beyond the scope  
7 of discovery in this case, Your Honor. It's  
8 irrelevant.

9 THE REFEREE: Do you want to argue with  
10 respect to that one separate from the other --

11 MR. MOXON: Obviously provision of drugs  
12 to Mr. Armstrong would be a criminal act Your Honor.  
13 I think that would be one of the things that would  
14 obviously not be privileged in the context of any  
15 priest-penitent privilege.

16 THE REFEREE: You have a Fifth Amendment  
17 right.

18 MR. GREENE: Indeed. I'm asserting that  
19 on behalf of Mr. Armstrong.

20 MR. BERRY: Apart from that, it doesn't  
21 tend to lead to any evidence that may be admissible on  
22 these causes of action.

23 THE REFEREE: Objection sustained.

24 MR. MOXON: Your Honor, could I ask the  
25 basis for sustaining it?

1 THE REFEREE: I find the relevance hard  
2 to see, though that's not really significant in the  
3 discovery situation.

4 I would think that you've got a Fifth  
5 Amendment situation that is insurmountable here.

6 I think that's enough.

7 A (No response)

8 Q BY MR. MOXON: During any of your  
9 conversations with Yanny did you ever talk about  
10 Scientology?

11 MR. GREENE: A brief interposition.

12 Object on the basis of vagueness and also  
13 on the basis of relevancy. It's a completely  
14 open-ended question and any -- it would call for a  
15 response potentially way predating the time giving  
16 rise to the allegations in the complaint. On that  
17 grounds it would be irrelevant.

18 THE REFEREE: Well, in a sense it's a  
19 preliminary question. It's a question that can be  
20 answered yes or no.

21 MR. YANNY: It also could potentially be  
22 violative of the priest-penitent privilege.

23 THE REFEREE: A lot of things are  
24 possible, particularly in this case, but --

25 A Yes.



1 THE REFEREE: Had you said no your  
2 credibility would have been damaged.

3 Now, you take it from there please, Mr.  
4 Moxon.

5 Q BY MR. MOXON: I want you to list out for  
6 me all the instances in which you have had  
7 communications with Yanny about Scientology?

8 List all the times.

9 MR. GREENE: There is still a running  
10 objection?

11 THE REFEREE: Running objection.

12 You may answer that one.

13 Q BY MR. MOXON: Times and places please?

14 A When you use the term "Scientology" in  
15 asking me that question, I assume that what you're  
16 talking about is Scientology's litigation.

17 Is that a correct definition for  
18 "Scientology?"

19 Q No, it's too narrow.

20 Scientology at all?

21 Scientology or litigation concerning the  
22 Church of Scientology or it's members?

23 A Are you including in there Scientology,  
24 the science of knowing how to know?

25 THE REFEREE: Of what?

1 THE WITNESS: Knowing how to know.

2 Q BY MR. MOXON: I'm using a broad  
3 definition of the practice of Scientology,  
4 organization of Scientology, Scientologists, Yanny's  
5 relationship with the Church of Scientology, his  
6 representation of any Church of Scientology or any  
7 members or organization or any litigation?

8 A The philosophy of Scientology and  
9 anything which relates to the philosophy of  
10 Scientology?

11 Q That's right.

12 List all the times and places in which  
13 you have had communications with Yanny concerning any  
14 of those issues?

15 A The first time was in the courthouse in,  
16 I believe, November of 1989. That was the first time  
17 I met Mr. Yanny.

18 Q Second time?

19 A The second time would have been during  
20 that same day or so. It may have been in a  
21 restaurant.

22 Subsequent times, Mr. Yanny's house.

23 A subsequent time in the courthouse  
24 during the Yanny trial.

25 Subsequent times by telephone.



1                               Subsequent times when I was at Mr.  
2       Yanny's house.  
3               Q           When were you at Yanny's house?  
4                               THE REFEREE: Are you talking about  
5       dates?  
6                               MR. MOXON: Yes.  
7               A           I don't believe that right now I can  
8       recall.  
9                               1991, I know about that one.  
10              Q           BY MR. MOXON: Do you have a difficulty  
11       by the way that gives dates when you were at Yanny's  
12       house?  
13              A           No.  
14              Q           Any writing about when you were at  
15       Yanny's house?  
16              A           Not specifically, no.  
17              Q           Any writing about communications with  
18       Yanny?  
19              A           No.  
20              Q           Were you at Yanny's house at any time  
21       after July 1991?  
22              A           Yes, I was there last night.  
23              Q           You're staying at Yanny's house?  
24              A           Last night.  
25              Q           Were you at Yanny's house at any time

1 between last night and July of 1991?

2 A I have a recollection of being there  
3 between now and then for, when I was down here for  
4 some reason. And I can't --

5 Oh the, I think the December 23 hearing  
6 in the Armstrong I, December 23 hearing before Judge  
7 Geernaert.

8 Q At the time of the December 23 hearing,  
9 1991, did you talk to Yanny about the Aznaran case?

10 MR. BERRY: Object to the extent it  
11 invades the Aznaran's attorney-client privilege.

12 MR. GREENE: As the Aznaran's counsel at  
13 that time I'll allow the witness to answer yes or no  
14 we had a conversation.

15 But beyond that, on their behalf I will  
16 assert the privilege and instruct the witness not to  
17 answer.

18 A I have no recollection of any discussion  
19 of the Aznaran's case at that time.

20 Q BY MR. MOXON: Did you talk to Yanny  
21 about your own case in December 1991?

22 A I have no specific recollection of any  
23 conversation.

24 However, the fact that I was in Los  
25 Angeles for that very reason, which involved the



1 Armstrong case, it's my recollection that certainly  
2 regarding scheduling and being there for that reason  
3 came up in conversation, but I don't have any  
4 recollection of such a conversation.

5 Q Did Yanny give you any advice or  
6 instructions concerning how you should handle your  
7 case in December '91?

8 MR. GREENE: Objection on Mr. Armstrong's  
9 behalf since Mr. Yanny at that time was seeking to  
10 intervene in the Armstrong I proceeding.

11 Any such conversations would be within  
12 the scope of the joint defense privilege and I would  
13 instruct the witness not to answer.

14 MR. BERRY: Join.

15 MR. MOXON: Answer.

16 THE REFEREE: Do you want to be heard on  
17 that one?

18 First, do you have a recollection, yes or  
19 no?

20 A Of advice from Mr. Yanny?

21 Q BY MR. MOXON: Did you receive any  
22 advice, instructions, suggestions about the handling  
23 of any of the issues in your case in December of 1991?

24 THE REFEREE: Just a yes or no.

25 A No.

1           Q           BY MR. MOXON: Did you have any  
2 discussions with Yanny concerning the issues in your  
3 case in December of 1991?

4           A           I have no recollection of such a  
5 conversation.

6           Q           Did you talk to Yanny about whether or  
7 not he should even appear at the hearing in that case?

8           MR. GREENE: Objection, that starts to  
9 get into substance, and I would assert the joint  
10 defense privilege and instruct the witness not to  
11 answer.

12           MR. BERRY: Join as the other half of the  
13 other joint defense.

14           MR. YANNY: I also believe the question  
15 has been asked and answered.

16           THE WITNESS: I think it probably has  
17 been. You want to read that question back to me?

18           Q           BY MR. MOXON: Did you have any  
19 communications with Yanny concerning whether or not he  
20 should even be present at any hearing in your case?

21           MR. GREENE: Same objection.

22           THE REFEREE: First yes or no.

23           I don't know that we're ever going to get  
24 to content.

25           MR. GREENE: The problem is, Your Honor,



1 is that the way that the question is phrased it  
2 pertains to contents.

3 It's not did you have any discussion  
4 period, but it's did you have a discussion whether or  
5 not Yanny should appear. So that starts to get into  
6 contents rather than just the fact of whether or not a  
7 discussion happened.

8 THE REFEREE: Well, but I don't think  
9 it's far enough --

10 MR. YANNY: I object, asked and answered.

11 THE REFEREE: It may well have been. But  
12 first yes or no.

13 MR. GREENE: Without waiving any  
14 privilege.

15 THE REFEREE: Without waiving a thing.  
16 Nothing is waived here.

17 A No.

18 Q BY MR. MOXON: Did you have any  
19 discussions with Yanny at the time that you were down  
20 here in 1991 concerning how you should testify in this  
21 case?

22 MR. GREENE: Objection, that's vague and  
23 ambiguous.

24 There has been testimony so far that Mr.  
25 Armstrong was down here at least a couple of times in

1 1991. So we need some time delineation.

2 THE REFEREE: Break it down.

3 Q BY MR. MOXON: At any time, any time in  
4 your life, have you ever talked to Yanny about how you  
5 should testify in his case?

6 MR. BERRY: Other than truthfully?

7 MR. YANNY: You're limiting that to this  
8 lifetime?

9 THE REFEREE: Come on gentleman.

10 Do you have the question in mind?

11 THE WITNESS: Right.

12 A No.

13 Q BY MR. MOXON: Did you talk to Yanny last  
14 night about your deposition today or yesterday?

15 A Yes.

16 Q Did you have any discussion concerning  
17 any of the issues you testified about yesterday?

18 A No.

19 Q Did you have any discussions concerning  
20 the existence of, or potential existence of any  
21 privileges?

22 A No.

23 Q Did you have any discussions about  
24 responses to any type of question?

25 A No.



1           Q       Did you have any discussion about whether  
2 or not you should discuss how to handle questions?

3           A       No.

4           Q       Have you ever had any communications with  
5 Yanny wherein he admitted that he lied in the superior  
6 court cases --

7           A       No.

8           Q       -- in any of his testimony?

9                   Have you ever had any discussions about  
10 whether or not his testimony was potentially false?

11                 MR. BERRY: I object to this line of  
12 questioning. It's outrageous.

13                 THE REFEREE: I'm not sure what  
14 "potentially false" means.

15           Q       BY MR. MOXON: Have you ever had any  
16 discussions with Yanny as to whether or not any  
17 testimony he's provided had been false?

18           A       No.

19                 MR. BERRY: I take it counsel's not  
20 accusing Mr. Yanny of giving false testimony?

21                 THE REFEREE: No, the question really has  
22 meaning just as a question. Silence doesn't mean any  
23 admission by anybody.

24                 Okay.

25           Q       BY MR. MOXON: You've asserted earlier

1       that Yanny's representing you in some literary matter.  
2       What literary matter has he represented you about?

3               MR. GREENE:  Objection, attorney-client  
4       privilege.

5               Mr. Armstrong is the holder, he's not  
6       required to disclose that.  And I would instruct him  
7       not to answer.

8               MR. BERRY:  Attorney work product  
9       privilege.

10              MR. YANNY:  I would also advise the  
11       witness as his counsel in that regard his statements  
12       about the literary works or anything of that nature  
13       would constitute waiving a privilege.

14              Q       BY MR. MOXON:  Even if there was a  
15       privilege I didn't ask what your communication was  
16       with Yanny.

17              I simply asked what literary matter is  
18       Yanny allegedly representing you about?

19              MR. GREENE:  Same instruction and  
20       objection.

21              MR. BERRY:  That violates the privilege.

22              THE REFEREE:  Well, I think -- wasn't  
23       this explored to some extent yesterday?

24              MR. MOXON:  No.

25              THE REFEREE:  I note the objections, but



1 I overrule the objections.

2 I thought you talked about this  
3 yesterday. Whether you did or not, you may answer  
4 now.

5 MR. GREENE: Yesterday had to do with  
6 writings about Scientology I believe.

7 MR. YANNY: I would admonish the witness  
8 as counsel to answer only in general subject matters.

9 A I am an artist and a writer and I have a  
10 number of products. Mr. Yanny is connected into the  
11 entertainment field to some degree. He's also a  
12 friend of mine. He also has expertise in the area of  
13 copyrights and trademarks and so forth.

14 Mr. Yanny and I, I have considered using  
15 Mr. Yanny's services with regards to publishing, with  
16 regards to his contacts in that industry. And there  
17 specifically regarding my artistic and literary works.

18 Q BY MR. MOXON: Have you had any  
19 communications with Yanny concerning potential  
20 publication of any of your declarations concerning  
21 Scientology?

22 A Only to the extent that I gave him one or  
23 more of my declarations and may have said that it was  
24 my intention to publish them. I stated that, in fact,  
25 in the declaration itself.

1 Q That was part of his representation?

2 A I have never --

3 MR. YANNY: I'm going to object, that  
4 calls for a legal conclusion on the part of this  
5 witness. And there has been no foundation laid for  
6 his ability to form legal conclusions of that nature.

7 THE REFEREE: Sustained as to form.

8 Q BY MR. MOXON: Did you talk to Yanny  
9 about getting the declarations published?

10 MR. YANNY: That's been asked and  
11 answered, twice now Your Honor.

12 A No.

13 Q BY MR. MOXON: But you gave him the  
14 declarations with the idea that he was going to help  
15 you to get them published?

16 MR. GREENE: Objection.

17 A No.

18 THE REFEREE: The answer is no.

19 Q BY MR. MOXON: Why did you give him the  
20 declarations?

21 MR. BERRY: That mischaracterizes his  
22 testimony Your Honor.

23 MR. GREENE: And also these are  
24 communications between, this line of questioning,  
25 between Armstrong as client.



1 Joe Yanny is a lawyer. And that's, that  
2 question starts to approach extreme, invasiveness of  
3 the heart of the confidences that passed between  
4 attorney and client. It's improper and I would object  
5 on the basis of Mr. Armstrong being the holder of the  
6 privilege.

7 MR. BERRY: I join in that Your Honor. I  
8 have a continuing objection.

9 It calls either for communications or  
10 thought processes which are privileged in themselves.

11 Q BY MR. MOXON: Are you claiming  
12 attorney-client privilege with respect to the  
13 declarations you gave Yanny on Scientology?

14 A No.

15 Q Why did you give the declarations to  
16 Yanny?

17 MR. YANNY: Which declarations? This  
18 question is extremely vague.

19 THE REFEREE: He's mentioned two  
20 declarations, is that correct Mr. Armstrong?

21 MR. YANNY: Both have been submitted in  
22 court.

23 A Just to clarify --

24 Q BY MR. MOXON: It doesn't need any  
25 clarification.

1                   The declarations about Scientology, why  
2 did you give them to Yanny?

3           A           That requires some clarification.

4                   THE REFEREE: Give him the clarification,  
5 then I want you to answer.

6           A           The two declarations which I mentioned  
7 earlier which were filed in this case are different  
8 from the single declaration which I gave to Mr. Yanny  
9 which I consider in itself a book. And that  
10 declaration I gave to him essentially because I gave  
11 it to him.

12                   But I wrote it, I intended to publish it,  
13 I gave it to him because it relates to litigation, all  
14 the litigation of Scientology, it relates to my  
15 specific case. And it was assembled and it was  
16 written by me for the court of appeal. For that  
17 specific purpose.

18                   I gave it to him because he's a person  
19 who understands me, understands the literature  
20 understands the issues.

21           Q           BY MR. MOXON: Did he infer to you that  
22 he would help you to get it published?

23           A           No.

24           Q           That was one of your intentions was to  
25 get that published?



1 MR. GREENE: Objection, that  
2 mischaracterizes his testimony. He said he gave it to  
3 Mr. Yanny because he thought Mr. Yanny possessed the  
4 background to understand what was going on, and that  
5 was why he gave it to him.

6 MR. YANNY: Also object on the grounds of  
7 vagueness.

8 Insofar as Mr. Armstrong has already  
9 testified he filed it in the court of appeals, that is  
10 publication in and of itself in the public record.

11 MR. BERRY: Might I add that the subpoena  
12 appears to be way beyond relevancy in this case. It  
13 may be relevant to Armstrong II, but it's not relevant  
14 to Yanny II.

15 THE REFEREE: It is discovery. If after  
16 all this you still have the question in mind you may  
17 answer it.

18 MR. BERRY: I would object at using this  
19 deposition to take discovery in another case.

20 THE REFEREE: I know, and I'm not  
21 intending to encourage that. But this particular  
22 question, you may answer it.

23 THE WITNESS: I'd like it back.

24 ///

7 1 (The record was read as follows:

2 Q That was one of your  
3 intentions was to get that published?)  
4

5 MR. MOXON: I never finished the question  
6 before I was interrupted.

7 Q BY MR. MOXON: Was one of your intentions  
8 to have that published by giving it to Mr. Yanny?

9 A No.

10 Q Have you ever taped any conversations you  
11 had with Yanny?

12 A No.

13 Q Have you ever taped any conversations you  
14 had with Berry Van Sickle?

15 A No.

16 Q Did Yanny ever give you any money? Has  
17 he ever given you any money.

18 MR. GREENE: Objection, asked and  
19 answered.

20 You can answer.

21 THE REFEREE: You can answer.

22 MR. YANNY: I'm also going to object on  
23 the grounds of priest-penitent privilege.

24 THE REFEREE: I overrule the objections.

25 MR. BERRY: I would object on the grounds



1 it invades privacy.

2 THE REFEREE: Noted. Overruled.

3 A Mr. Yanny has bought some meals for me,  
4 Mr. Yanny has paid for parking. He has not given me  
5 any money other than that.

6 THE REFEREE: And you stayed in his  
7 house?

8 THE WITNESS: Right.

9 Q BY MR. MOXON: Didn't he pay for you to  
10 come down to Los Angeles?

11 A What that became was Mr. Yanny's purchase  
12 of stock in the Gerald Armstrong Corporation.

13 Q Who owns the Gerald Armstrong  
14 Corporation?

15 MR. GREENE: Objection, asked and  
16 answered.

17 MR. YANNY: Also calls for a legal  
18 conclusion.

19 MR. BERRY: Relevancy.

20 THE REFEREE: It is discovery gentleman.  
21 I don't know whether this has been the subject of  
22 inquiry before.

23 MR. GREENE: This ground has been plowed  
24 before in the first deposition in this case.

25 MR. MOXON: We asked some questions about

17 1 it Your Honor.

2 A The Gerald Armstrong Corporation is owned  
3 by stockholders, and I decline to divulge who all the  
4 stockholders are.

5 Q BY MR. MOXON: The question is who are  
6 the stockholders of the Gerald Armstrong Corporation?

7 MR. GREENE: Objection, privacy.

8 MR. YANNY: Also relevance.

9 This is way beyond the scope of anything  
10 that is relevant to this lawsuit. It's not more than  
11 a fishing expedition.

12 THE REFEREE: What's your thought?

13 MR. MOXON: Mr. Yanny is paying money to  
14 Mr. Armstrong allegedly for some kind of stock in a  
15 corporation. It could be a way of, obviously of  
16 getting money to Mr. Armstrong.

17 Obviously Your Honor's aware that I take  
18 some of the assertions and representations of Mr.  
19 Armstrong and Mr. Yanny with some bit of professional  
20 question. I intend to interrogate into money that was  
21 apparently paid to Mr. Armstrong.

22 MR. BERRY: I object on the grounds of  
23 relevancy.

24 Even if he gave him a million dollars  
25 it's not relevant to this lawsuit.



1 MR. MOXON: It certainly is if he paid  
2 him a million dollars for his testimony.

3 THE REFEREE: It could be relevant.

4 The testimony is that there is a  
5 corporation. I take it there have been questions in  
6 the past about the purpose of the corporation.

7 There is testimony that there are  
8 shareholders. More than one shareholder I take it?

9 THE WITNESS: Yes, Your Honor.

10 THE REFEREE: And that Mr. Yanny is a  
11 shareholder.

12 Is Mr. Yanny a majority shareholder?

13 THE WITNESS: No.

14 THE REFEREE: Without saying who the  
15 shareholders are, how many shareholders are there?

16 THE WITNESS: I believe 12.

17 THE REFEREE: Are you a shareholder?

18 THE WITNESS: No, I'm not.

19 THE REFEREE: I'll sustain the objections  
20 to any further questions on this shareholdings.

21 Is the corporation registered with the  
22 state of California?

23 THE WITNESS: Yes, Your Honor.

24 THE REFEREE: How old is the corporation?

25 THE WITNESS: 1987.

1 THE REFEREE: Let's go to something else.

2 MR. MOXON: Can I get the court's basis  
3 for refusing to allow me to ask any other questions  
4 about this?

5 THE REFEREE: My basis at the moment  
6 would be to sustain the objection on privacy grounds.  
7 If you want to explore further, I'm not locked in iron  
8 here.

9 MR. MOXON: You're claiming a privacy  
10 right for someone to buy shares in a public  
11 corporation that's registered with the state?

12 MR. YANNY: I'm going to object as  
13 calling for a legal conclusion.

14 MR. GREENE: Not only that. There is no  
15 foundation.

16 MR. MOXON: Strike that.

17 Q BY MR. MOXON: You've registered the  
18 corporation with what entity?

19 A Department of State.

20 Q When did you do that?

21 A 1987.

22 Q How much money did Yanny give you for  
23 stock in the Gerald Armstrong Corporation?

24 MR. BERRY: Same objections.

25 THE REFEREE: Overruled. You can state



1 the amount of money.

2 THE WITNESS: \$1,000.

3 Q BY MR. MOXON: When did he give it to  
4 you?

5 A My recollection is July and August or  
6 September 1991.

7 Q Did he give it to you all at once or more  
8 than once?

9 A My recollection is in two pieces, each of  
10 \$500.

11 Q How many shares did that give Mr. Yanny?

12 A One.

13 Q One share?

14 A One.

15 Q Do the shares have any specific value?

16 A \$1,000.

17 Q Did anybody else give you \$1,000 to buy a  
18 share?

19 A Yes.

20 Q Who else owns shares in the corporation?

21 MR. BERRY: Objection, that's been asked  
22 and Your Honor has already ruled on it.

23 THE REFEREE: Objection sustained.

24 MR. MOXON: What basis Your Honor?

25 THE REFEREE: Privacy.

1 MR. MOXON: I don't understand Your  
2 Honor. It's a public corporation, he's selling  
3 shares. I don't understand.

4 THE REFEREE: What's the purpose of  
5 asking the questions?

6 MR. MOXON: Because --

7 THE REFEREE: Excuse me for asking a  
8 question and then interrupting you before you could  
9 answer.

10 The fact that a corporation exists, the  
11 fact that people can buy shares in it doesn't  
12 necessarily make the holders of the shares a matter of  
13 public record, I don't think.

14 We're not talking about General Motors or  
15 something, we're talking about a corporation with 12  
16 shareholders. If you want to be heard on this further  
17 later I'll be glad to discuss it further. But that's  
18 my threshold on this.

19 MR. MOXON: I understand.

20 I also don't think that that raises to  
21 the right of a constitutional right to privacy.

22 MR. YANNY: It certainly doesn't make it  
23 fair game.

24 THE REFEREE: What's the purpose of the  
25 inquiry?



1 MR. MOXON: The purpose is that I  
2 believe, and I would like to explore, whether or not  
3 money has been acquired by Mr. Armstrong through some  
4 improper means through a sham corporation that was  
5 established for the purpose of paying him off for his  
6 work in relation to the situation we're involved in,  
7 and potentially for his testimony.

8 MR. GREENE: The statement of that, Your  
9 Honor, illustrates the speculative and fishing nature  
10 of Mr. Moxon's inquiry.

11 If he wants to ask questions about the  
12 thousand dollars that Joe Yanny gave, fine. But if he  
13 wants to hunt around and try to manufacture some  
14 conspiracy whereby Mr. Armstrong has been purchased in  
15 general, that's just ridiculous.

16 MR. BERRY: It's way beyond any discovery  
17 on the causes of action which have been asserted by  
18 these plaintiffs in this case.

19 MR. YANNY: It's the IRS.

20 THE REFEREE: Let me suggest another  
21 question.

22 You can certainly ask Mr. Armstrong  
23 whether a share of stock was issued for the payments.

24 Q BY MR. MOXON: Was a share of stock  
25 issued to Mr. Yanny?

1           A           He has his name on it. It has not been  
2 delivered to him yet.

3           Q           Why not?

4           A           I have not finished the artwork.

5           Q           Are you drawing the share?

6           A           No, the share is a printed share.

7                       Each share which I issue has artwork on  
8 it. And I have not had the opportunity and I have not  
9 have, been in a place to perform that artwork.

10          Q           Has anybody actually acquired any share  
11 of stock in this corporation?

12          A           Yes.

13          Q           Someone other than Yanny you have given a  
14 piece of paper to that says they own a share?

15                       MR. GREENE: Objection, asked and  
16 answered.

17          A           Yes.

18                       THE REFEREE: The answer is yes.

19          Q           BY MR. MOXON: I don't understand.  
20 You're creating new shares with new  
21 artwork?

22                       MR. BERRY: Objection, Your Honor. This  
23 is back dooring Your Honor's previous rulings.

24                       THE REFEREE: I think it would be an  
25 appropriate question to ask the witness, if you want



9  
1 to, whether he decorates each of the shares in the  
2 corporation with some kind of artwork since he  
3 apparently, since he's testified that's what he's  
4 going to do or in the process of doing with Mr.  
5 Yanny's share.

6 A That is correct.

7 Q BY MR. MOXON: You have printed shares  
8 and you decorate each one with artwork, and Yanny's  
9 isn't finished?

10 A Correct.

11 In this offering in which Mr. Yanny  
12 participated, the shares come with my artwork.

13 Q "Offering."

14 You made some kind of an offering for  
15 shares of stock?

16 MR. BERRY: Objection, invades the  
17 attorney work product.

18 THE REFEREE: I'll sustain the objection.

19 You can ask another question if you want  
20 to and we'll see if we get anywhere.

21 Q BY MR. MOXON: How many shares of stock  
22 does this corporation possess?

23 A One hundred.

24 Q What does Yanny get in exchange for his  
25 share of stock?

1           A           One percent ownership in the corporation.

2           Q           Has he received any benefits from that?

3           MR. YANNY:   Objection, vague and also  
4           calling for a legal conclusion on the part of this  
5           witness that he may not be qualified.

6           As a matter of fact, there is no  
7           foundation at all.

8           THE REFEREE:   It's his corporation and I  
9           think he can, it's his position it's a legitimate  
10          corporation.   That is right, isn't it?

11          THE WITNESS:   Yes, Your Honor.

12          THE REFEREE:   In your understanding is  
13          there any benefit to any shareholder other than the  
14          normal benefits of ownership of shares?

15          What's the purpose of the corporation?

16          THE WITNESS:   The corporation --

17          MR. BERRY:   I would object to the extent  
18          it requires an attorney-client communication, even  
19          though it's the Referee asking the question.

20          THE REFEREE:   Thank you for that thought.  
21          But I can't see that an attorney-client could have  
22          anything to do with the establishment of a corporation  
23          and the purpose of the corporation.

24          What's the purpose of having the  
25          corporation?   Somebody went to the state and got



9 1 permission to have a corporation. What's the purpose  
2 of the corporation?

3 THE WITNESS: The corporation provides  
4 philosophic services.

5 The corporation owns all of my literary  
6 and artistic works.

7 It is my expectation that the corporation  
8 will become profitable and that those people who have  
9 had the courage or wisdom to invest in the corporation  
10 will become, as a result of the profitability of the  
11 corporation, wealthy.

12 Q BY MR. MOXON: As I understand it then,  
13 shares are paid into the corporation. And does that  
14 money stay in a corporate account?

15 MR. YANNY: I'm going to object to the  
16 form of the question. It doesn't even make sense.

17 MR. MOXON: Let me clarify it.

18 THE REFEREE: Let's get a question going.

19 MR. MOXON: It's very difficult if I  
20 can't finish my question before these three gentleman  
21 jump in. In fact, I don't know why we have two  
22 counsel representing one party, both making objections  
23 at the same time. It wastes the little time we have.

24 Q BY MR. MOXON: However, the money that  
25 comes in, the money that Yanny paid you for the share,

9 1 did you keep that yourself, for your own expenses?

2 A The money goes into an account of the  
3 Gerald Armstrong Corporation.

4 Q Did you spend it yourself?

5 MR. BERRY: Your Honor, since counsel's  
6 concerned about wasting time, I object to the  
7 relevancy of this line of questions.

8 THE REFEREE: I'm not --

9 Mr. Moxon, I'm not sure how profitable  
10 this is going to be. But you can -- I'll overrule the  
11 objection.

12 A In the sense that I am the signatory on  
13 the account, then I have spent corporation funds. But  
14 it is not for Gerald Armstrong. It is the  
15 corporation.

16 Q BY MR. MOXON: Did you spend any of the  
17 money that Yanny gave you on food for yourself?

18 MR. YANNY: Come on.

19 A The money that --

20 MR. MOXON: Yes or no.

21 A The money that --

22 Q BY MR. MOXON: Can you answer yes or no?

23 THE REFEREE: Let him answer.

24 A The money that Mr. Yanny paid for stock  
25 went into a corporation account. If out of that



0 1 corporation, if it has been necessary for the  
2 corporation to purchase food at some time, then that's  
3 true.

4 But the intention and the purpose of the  
5 funds which were received for sale of stock is not  
6 earmarked for that purpose.

7 Q BY MR. MOXON: So you spent some of the  
8 money that Yanny gave you for the stock on food for  
9 yourself, right?

10 A No.

11 Q Can you answer that yes or no?

12 A No.

13 Q None of it was spent for food?

14 A Other than what I've said.

15 Q I don't know what you've said Mr.  
16 Armstrong.

17 THE REFEREE: Then you have a problem Mr.  
18 Moxon. Then let's go to another subject.

19 We can go over this for a week and we  
20 won't have any different situation. You can have your  
21 ideas what the effect of his answer is and so can  
22 everybody else. Let's go ahead.

23 Q BY MR. MOXON: Was any of it spent for  
24 your personal rent, any money that Yanny gave you for  
25 the shares of the stock?

1 A No.

2 Q Was any of it distributed to you  
3 personally?

4 A No.

5 THE REFEREE: You can ask him if he draws  
6 a salary from the corporation.

7 Q BY MR. MOXON: Do you draw a salary from  
8 the corporation?

9 A No.

10 Q Do you draw any money whatsoever from the  
11 corporation?

12 MR. BERRY: Objection, this is not a  
13 comingling --

14 THE REFEREE: I just want to get this  
15 over.

16 A (No response)

17 Q BY MR. MOXON: Did Yanny arrange for any  
18 other money coming into the corporation?

19 MR. YANNY: Objection, vague.

20 A No.

21 Q BY MR. MOXON: Do you know if Yanny  
22 communicated with anyone?

23 Did Yanny solicit anyone else to provide  
24 money to the corporation?

25 MR. GREENE: Objection, no foundation.



1 Calls for speculation.

2 THE REFEREE: If you know.

3 A Not to my knowledge.

4 Q BY MR. MOXON: Do you know if Yanny  
5 communicated to the Aznarans whether or not they  
6 should fire Ford Greene?

7 MR. GREENE: Objection, calls for  
8 attorney-client communications.

9 MR. YANNY: Invasive of the  
10 attorney-client privilege of the Aznarans, who I will  
11 emphasize one more time, are not represented here  
12 today.

13 MR. GREENE: That is correct.

14 THE REFEREE: Well, I think it's a  
15 question of what this witness knows.

16 How he would know I don't know, but first  
17 it's a question to answer yes or no.

18 A No.

19 Q BY MR. MOXON: Did you ever talk to Yanny  
20 about whether or not the Aznarans should fire Ford  
21 Greene?

22 MR. BERRY: I remind the court of my  
23 continuing objection.

24 There were two days in which Mr.  
25 Armstrong was present in Mr. Yanny's office in which

1 he had an expectation of employment.

2 THE REFEREE: I note that.

3 Do you have the question in mind?

4 A The answer to that is no.

5 Q BY MR. MOXON: Did you ever talk to Yanny  
6 about the circumstances of the firing of Ford  
7 Greene --

8 MR. GREENE: Same objections.

9 Q BY MR. MOXON: -- by the Aznarans?

10 MR. YANNY: Insofar as that is concerned  
11 I would claim attorney work product privilege.

12 A I have stated what I understood of the  
13 circumstances in a declaration which I executed in  
14 July of 1991.

15 Q BY MR. MOXON: Can you answer my question  
16 then?

17 A That's, then yes.

18 Q When did you talk to Yanny about the  
19 firing of Ford Greene by the Aznarans?

20 MR. YANNY: If ever.

21 MR. BERRY: Objection, assumes facts not  
22 in evidence.

23 THE REFEREE: Did you ever have a  
24 conversation with him on that subject?

25 THE WITNESS: Yes, Your Honor.



0 1 MR. BERRY: I raise the further objection  
2 that I've already raised Your Honor.

3 THE REFEREE: Now I'm confused folks.

4 Is he being asked about material that's  
5 in a declaration, that's a matter of record?

6 THE WITNESS: That is correct.

7 MR. BERRY: Perhaps we could limit the  
8 time period.

9 MR. YANNY: Just for the record, he's not  
10 really being asked about information that is in the  
11 records. He's being asked about conversation with me,  
12 Your Honor, not information that is in declaration.

13 MR. MOXON: Can you find the question  
14 please?

15 MR. YANNY: Can you find the declaration?

16 THE REFEREE: One thing at a time. Read  
17 back the last question.

18  
19 (The record was read as follows:

20 Q When did you talk to Yanny  
21 about the firing of Ford Greene by the  
22 Aznarans?)

23  
24 THE REFEREE: If ever. And your answer  
25 was -- did I understand your answer to be yes, you did

1 have such a conversation?

2 THE WITNESS: Yes, Your Honor. July  
3 1991.

4 Q BY MR. MOXON: Did Yanny tell you that he  
5 had consulted with the Aznarans concerning the firing  
6 of Mr. Greene?

7 MR. YANNY: Again, I'm going to object at  
8 this point in time on the basis of attorney-client  
9 and/or work product privileges on behalf of myself  
10 with respect to the Aznaran case.

11 This was a man that I was interviewing  
12 and that I was working with in the gathering of  
13 evidence with respect to their case, the Aznaran case.  
14 Those people are not represented here today.

15 MR. BERRY: We have a continuing  
16 objection.

17 THE REFEREE: What's your thought Mr.  
18 Moxon?

19 MR. MOXON: So what? It's actually my  
20 primary response.

21 MR. BERRY: So what?

22 MR. GREENE: Great response.

23 THE REFEREE: I'm not trying to give you  
24 a hard time. But is it your point that you don't  
25 think the objections are really relevant or what?



1 MR. MOXON: I think that the objections  
2 are intended just to extend the length of this  
3 deposition so it can't possibly get any answer out.

4 Mr. Armstrong has already testified that  
5 he never had any communications with Yanny about  
6 working for Yanny as a paralegal. Yanny is now  
7 testifying that he was, he brought Armstrong to work  
8 on the Aznaran case. If that's the case, fine.

9 Q BY MR. MOXON: Were you consulting with  
10 Yanny for the purpose of consulting on the Aznaran  
11 case like Mr. Yanny said?

12 A I just want to correct that statement  
13 that you just put on the record.

14 I was very clear about the fact that I  
15 was indeed brought down at the request of Mr. Yanny to  
16 help. And I knew.

17 Q BY MR. MOXON: Help on the Aznaran case?

18 A That is correct. Which I did.

19 The extent of the help that I was asked  
20 appears in the two declarations which I executed while  
21 in his office.

22 MR. BERRY: Beyond that we assert the  
23 privilege Your Honor. It's sacred.

24 And I'm sure whatever counsel says  
25 tomorrow we will be hearing some assertions of

1 privilege by Mr. Drescher, and I'm sure we will not be  
2 probing behind them once they're properly asserted.

3 MR. YANNY: There is an objection pending  
4 and a question pending.

5 THE REFEREE: Is there still a question  
6 pending? I don't think there is a question pending  
7 right now.

8 MR. MOXON: There is no question.

9 THE REFEREE: It's going to be the last  
10 question before lunch.

11 Q BY MR. MOXON: Did Yanny tell you that he  
12 had consulted with the Aznarans about firing Ford  
13 Greene?

14 MR. GREENE: Objection.

15 THE REFEREE: Let him complete the  
16 question.

17 MR. BERRY: Instruct the witness not to  
18 answer to the extent it calls for any information he  
19 obtained in response to the attorney work product,  
20 priest-penitent or attorney-client privilege.

21 A The answer is no.

22 THE REFEREE: We'll resume at 1:25.

23 THE REFEREE: See you all back here at  
24 1:25.

25 (At the hour of 11:55 a.m. the



1 luncheon recess was taken, the  
2 proceedings to be resumed at 1:25 p.m.)  
3

4 (At the hour of 1:25 p.m.  
5 the following proceedings were had  
6 at the same place with the  
7 same persons present:)

8  
9 THE REFEREE: Are we ready to resume?  
10

11 EXAMINATION  
12

13 BY MR. MOXON:

14 Q Do you know John Elstead?

15 A Yes.

16 Q Tell me how you met him please?

17 A I met him at -- I'm not quite sure where  
18 I met him, but it may have been in the federal  
19 courthouse or around the federal courthouse in Los  
20 Angeles.

21 And then he and Joe Yanny and I walked to  
22 a Mexican restaurant in downtown L.A. This was for  
23 lunch.

24 MR. YANNY: Late breakfast actually.

25 THE WITNESS: Could have been.

1                   Q           BY MR. MOXON: You sat together for  
2 lunch?

3                   A           Right.

4                   Q           During that meeting with yourself and  
5 Elstead and Yanny --

6                               When was that, by the way?

7                   A           July '91.

8                   Q           Was that those two days that you were  
9 down helping Yanny with the declarations?

10                  A           One of those two days.

11                  Q           One of the days when you met at the  
12 courthouse also?

13                  A           It might be the same day.

14                               MR. YANNY: That was a freak accident.

15                  Q           BY MR. MOXON: During the conversation  
16 between yourself and Yanny and Elstead at lunch, was  
17 there any discussion about the Aznaran case?

18                               MR. YANNY: I would, as former counsel  
19 for the Aznarans, admonish the witness that a yes or  
20 no will do, and to go much further we may have  
21 privilege on behalf of parties which are not here  
22 represented.

23                               THE REFEREE: First, yes or no?

24                  A           Yes.

25                  Q           BY MR. MOXON: What was the substance of



1 that conversation?

2 MR. GREENE: I'll object --

3 MR. BERRY: Objection.

4 MR. GREENE: -- on behalf of the  
5 Aznarans.

6 THE REFEREE: Is this a conversation that  
7 was published in any way?

8 In other words, if people are having a  
9 conversation in the presence of Mr. Armstrong, is that  
10 in essence a publication of the conversation?

11 MR. GREENE: Your Honor, let me give you  
12 some background information.

13 John Elstead is the current counsel for  
14 Richard and Vicki Aznaran. After Mr. Yanny was  
15 ordered by Judge Ideman off of the Aznaran case and I  
16 was ordered back into it, within a week I believe  
17 thereafter Mr. Elstead associated in as counsel for  
18 the Aznarans.

19 I am informed and believe that during the  
20 course of this luncheon meeting specifically, Mr.  
21 Elstead was there for the purpose of representing or  
22 coming in to represent the Aznarans.

23 MR. YANNY: And ascertaining the present  
24 whereabouts of the file.

25 And I will represent as an offer of proof

1 to the court that my discussions with Mr. Elstead at  
2 that point in time, in early July, centered around his  
3 willingness to represent the Aznarans in that  
4 litigation, in front of Judge Ideman, because I  
5 realized there was trouble ahead and trouble behind.

6 Mr. Armstrong was at that point in time  
7 being considered as someone that was going to work on  
8 that case as a paralegal. And all the potential  
9 players were being put together to see what type of  
10 team could be worked out.

11 In that context I believe that the  
12 privilege does attach.

13 MR. MOXON: Your Honor, Mr. Armstrong has  
14 testified he never received any money from Mr. Yanny  
15 as a paralegal. He never discussed with Mr. Yanny  
16 being a paralegal at his office.

17 There is obviously a waiver. He's a  
18 third party that was present.

19 MR. YANNY: I don't believe there is a  
20 waiver.

21 THE WITNESS: I would like to correct the  
22 record about you keep saying this about not being a  
23 paralegal. But, as I've told you, I was in his office  
24 for those two days and I did execute those  
25 declarations.



2 1 And Mr. Yanny, I was there expressly at  
2 his request to help in -- the help that he asked me  
3 for was in connection with his coming back into the  
4 Aznaran case.

5 Q BY MR. MOXON: What do you mean -- what  
6 do you mean "coming back into?"

7 A Coming into the Aznaran case.

8 Q He worked on it earlier too?

9 A No.

10 MR. BERRY: I would add to the objection  
11 Your Honor that the payment of money is not necessary  
12 to the creation of the attorney work product  
13 privilege, just as it's not necessary to the creation  
14 of the attorney-client privilege.

15 THE REFEREE: In some ways it seems to me  
16 there is a tenuous relationship here with Mr.  
17 Armstrong. He came to help.

18 He was never employed in the normal sense  
19 of the word, it's --

20 MR. BERRY: I would argue, Your Honor,  
21 that it's like a person going to hire a lawyer. The  
22 conversations in that context, even if they don't  
23 result in employment of that lawyer, are still  
24 privileged.

25 MR. MOXON: There is a third party

2 1 present.

2 MR. YANNY: And pro bono work.

3 MR. BERRY: Likewise, he was present for  
4 the purpose of being considered for employment and  
5 doing work in that regard. So the analogy applies.

6 THE REFEREE: I can see -- I can follow  
7 your reasoning better regarding a conversation held in  
8 the office than I can in going to lunch.

9 Going to the -- being at the courthouse  
10 under whatever circumstances, and then joining people  
11 for lunch, that -- I just don't see any automatic  
12 entitlement.

13 MR. BERRY: The privilege doesn't lose  
14 it's character by leaving the office.

15 MR. MOXON: Your Honor, Mr. Armstrong and  
16 Mr. Yanny I don't think can really have it both ways.  
17 They can't assert that he's not working there and at  
18 the same time assert that he is working there.

19 Mr. Yanny had been involved in a year and  
20 a half of litigation with respect to the  
21 attorney-client privilege and attorney-client  
22 responsibilities. There can be no question that he's  
23 aware of the scope of, obviously -- the whole crux of  
24 this case is that he went out and breached the  
25 attorney-client confidences to Mr. Armstrong, who is a



2 1 person that Mr. Yanny represented the Church in  
2 litigation against when he worked for the Church of  
3 Scientology.

4 At any rate --

5 MR. YANNY: That's not true by the way.

6 THE REFEREE: One at a time.

7 MR. MOXON: He's clearly a third party in  
8 the context of this conversation because he's  
9 testified under oath.

10 He wasn't retained by Yanny and he never  
11 had any specific conversations with Yanny about being  
12 a paralegal for Yanny.

13 MR. YANNY: I think the record will  
14 reflect I'm making an offer of proof on the record  
15 that this man was being considered for a paralegal  
16 position. He did come down and help, and he's both a  
17 percipient witness, and I used his paralegal skills.

18 Judge, you mean to tell me that because  
19 somebody is a paralegal and they may do some pro bono  
20 work for a socially conscious cause that somehow the  
21 conversations between counsel and paralegal who  
22 donated their time, to a good cause, are not  
23 privileged because there was no formal employment or  
24 because they discussed the matter over lunch? I don't  
25 think so.

2 1 MR. MOXON: Mr. Yanny, you hired Mr.  
2 Armstrong to work on the Aznaran case.

3 MR. YANNY: When you swear me in you ask  
4 me questions.

5 MR. MOXON: You said made an "offer of  
6 proof." I'm trying to find out --

7 MR. YANNY: I'm trying to find out. It  
8 ain't your turn.

9 THE REFEREE: Thank you gentleman. We  
10 have had a fairly peaceful morning Mr. Yanny. And I  
11 intend to have a pieceful afternoon.

12 I find that this conversation is not  
13 privileged at the lunch period. Overrule the  
3 14 objections and you may answer the question.

15 MR. YANNY: Instruct the witness not to  
16 answer, and preserve the issue for a denovo review.

17 MR. GREENE: I have to instruct the  
18 witness not to answer as well.

19 MR. BERRY: As do I.

20 MR. GREENE: If Mr. Elstead was here he  
21 would give the same record.

22 Q BY MR. MOXON: For the record, will you  
23 follow the instruction Mr. Armstrong?

24 A I'll follow the instruction.

25 Q Can you tell me how long the meeting was



3 1 with Mr. Yanny and Mr. Elstead at lunch?

2 A Approximately an hour.

3 Q Did Mr. Yanny give Mr. Elstead any  
4 documents?

5 A I don't believe so.

6 Q Did you?

7 A No.

8 Q Did you provide Mr. Elstead any  
9 information with respect to the Aznaran case?

10 A No.

11 Q Did you encourage Mr. Elstead to act as  
12 counsel for the Aznarans?

13 A No.

14 Q Did you engage in the conversation at  
15 all?

16 A Very little.

17 Q Did you have any later conversations with  
18 Mr. Elstead with respect to the Aznaran case?

19 A Yes.

20 Q In what context?

21 A Because Mr. Elstead became involved as an  
22 attorney on the case and I thereafter assisted on the  
23 case in Mr. Greene's office. As a result I had a  
24 number of contacts with Mr. Elstead.

25 Q Were you hired by Mr. Elstead?

3 1 A Yes.

2 Q Did he pay you?

3 A Yes.

4 Q As a paralegal?

5 A Yes.

6 Q From when to when?

7 A Beginning in, my recollection is sometime

8 in August.

9 Q August of '91?

10 A Right.

11 Q Until when?

12 A Uhm, although my day-to-day involvement

13 in the case has shifted, I still am involved in the

14 case.

15 Q Are you still on Mr. Elstead's payroll?

16 MR. GREENE: Objection, mischaracterizes

17 his prior testimony.

18 He's not on any payroll. He says he has

19 been paid. There is no foundation.

20 And also -- that's it for now.

21 THE REFEREE: Re-state the question.

22 A (No response)

23 Q BY MR. MOXON: You testified that you

24 have been paid by Mr. Elstead.

25 Were you on a regular payroll?



1 A No.

2 Q Were you being paid hourly?

3 A No.

4 Q How were you paid?

5 A I was paid one sum at one time for my  
6 assistance at that time.

7 Q When was that?

8 A In August or September of 1991.

9 Q Were you paid directly or were you paid  
10 through the Gerald Armstrong Corporation?

11 A I was actually paid directly.

12 Q Did Mr. Elstead also make any donations  
13 to the Gerald Armstrong Corporation?

14 A No.

15 Q Did he buy any stock?

16 A No.

17 Q By the way, has anyone bought any --  
18 other than Mr. Yanny has anyone bought any stock in  
19 the Armstrong Corporation to whom you have provided a  
20 declaration for use in litigation?

21 MR. BERRY: I thought we moved away from  
22 the Armstrong Corporation this morning.

23 THE REFEREE: I thought so to.

24 A I can easily answer that, and the  
25 answer's no.

3 1 Q BY MR. MOXON: That would include both  
2 counsel and parties, correct?

3 MR. GREENE: Objection, asked and  
4 answered.

5 THE REFEREE: I think it's asked and  
6 answered.

7 Go ahead. He said no once. So go ahead.

8 MR. MOXON: I just want to clarify  
9 whether it's both counsel and parties, and counsel for  
10 parties and parties themselves.

11 MR. GREENE: Mr. Moxon, your question  
12 said "anyone." "Anyone" is an all-inclusive term.  
13 The answer is no.

14 THE REFEREE: The answer is no. So let's  
15 go ahead.

16 Q BY MR. MOXON: We got into a lengthy  
17 discussion before lunch. We had a pending question, I  
18 realize in looking at my notes, and that is did Yanny  
19 receive any benefit from the Armstrong Corporation in  
20 exchange for his purchase of stock?

21 MR. YANNY: I would object as vague.

22 MR. BERRY: Objection, vague.

23 THE REFEREE: I don't know that that  
24 question remained unanswered.

25 MR. GREENE: It was answered.



1 THE REFEREE: I think it was answered.  
2 MR. GREENE: Judge, you asked it.  
3 THE REFEREE: I thought that I asked the  
4 question and got an answer. And the answer was, if I  
5 remember correctly, that he gave the purposes of the  
6 corporation and that's how the stockholders were going  
7 to profit, if they profited.  
8 You can ask him if he got any benefit in  
9 addition to that which any other shareholder would  
10 get. If you want to.  
11 Q BY MR. MOXON: I'll adopt that question.  
12 A No.  
13 Q Do shareholders get any direct benefit  
14 other than a hope of future income from the  
15 corporation?  
16 MR. GREENE: Objection, irrelevant.  
17 MR. YANNY: I'm going to object.  
18 THE REFEREE: This is the last question  
19 on this subject unless you really show me some very  
20 good cause.  
21 Anything else that shareholders get?  
22 A The shareholders get ownership in the  
23 company.  
24 The company possesses assets.  
25 So one share equals one hundredth of the

3 1 assets. The assets of the corporation are  
2 substantial.

4 3 Q BY MR. MOXON: Your declarations are  
4 assets of the corporation, are they not?

5 Your declarations concerning Scientology?

6 MR. GREENE: Objection, going beyond the  
7 scope that's allowed.

8 MR. YANNY: Not to mention absurd.

9 A My writings.

10 MR. GREENE: Wait.

11 THE REFEREE: You may answer the  
12 question.

13 A My writings.

14 THE REFEREE: Which include the  
15 declarations, is that correct?

16 A If there are original holographic works,  
17 the corporation possesses various of my products,  
18 rights to those products.

19 Q BY MR. MOXON: The question, Mr.  
20 Armstrong, is are your declarations concerning  
21 Scientology owned by the Armstrong Corporation?

22 A The declarations which have been filed in  
23 any court, anywhere, are not owned.

24 The original holographic works are owned.

25 Q I don't understand your answer.



4 1 Are the original declarations in  
2 holographic form which are owned by the corporation?

3 A All except --

4 MR. GREENE: Objection, vague and  
5 ambiguous.

6 THE REFEREE: Is there anything you could  
7 add to your answer?

8 A All except for one, and that original  
9 holographic declaration was filed I believe in this  
10 case, in which case the, that original work is not  
11 owned.

12 Q BY MR. MOXON: By the corporation?

13 A It is possessed by the court.

14 Q All of the other original declarations  
15 are in the corporation?

16 A If there are original holographic works  
17 they are owned by the corporation.

18 Not all declarations have original  
19 holographic works which precede them.

20 Q My question is simple. If you give me a  
21 simple answer I'll move on.

22 Does the corporation possess any original  
23 declarations regarding Scientology as part of its  
24 assets?

25 A Holographic works, yes.

1 MR. GREENE: You answered the question.

2 Q BY MR. MOXON: Is Mr. Elstead a member of  
3 your Church?

4 A Not to my knowledge.

5 Q Have you written any books concerning  
6 investigations of you by any investigators retained by  
7 the Church?

8 Let me amend that question to any books  
9 or articles or tracts?

10 A I have written declarations which I  
11 consider a book.

12 Q The answer is yes?

13 A In that sense, yes.

14 Q Do you consider yourself an expert on  
15 Scientology?

16 A I consider myself an expert in the  
17 subject of fair game.

18 Q Do you consider yourself an expert on  
19 Scientology?

20 A I consider myself an expert on that  
21 aspect of Scientology called fair game.

22 Q Do you consider yourself an expert on any  
23 area of Scientology except what you allege to be an  
24 area of Scientology which you call "fair game?"

25 A I have been designated an expert on the



4 1 misrepresentations of L. Ron Hubbard by Judge  
2 Breckenridge. So therein -- also on the fraud of  
3 Scientology and L. Ron Hubbard and fair game.

4 Q Is Vicki Aznaran a member of your Church?

5 A Not to my knowledge.

6 MR. MOXON: Subject to a motion to  
7 compel, which we'll have to bring concerning these  
8 various privilege issues, I suspend the deposition at  
9 this point.

10 THE REFEREE: Alright.

11 MR. BERRY: Your Honor, this side of the  
12 table may have some questions to ask. (Indicating)

13 THE REFEREE: Okay. You certainly can if  
14 you want.

15 MR. YANNY: Before I begin the  
16 questioning may I take a brief break Your Honor?

17 THE REFEREE: Okay, yes.

18  
19 (Recess taken 2:00 p.m. to 2:05

20 p.m.)

21  
22 THE REFEREE: I gather the objection to  
23 the question regarding the conversations at the  
24 restaurant is going to be withdrawn?

25 MR. GREENE: Yes, sir.

1 Q BY MR. MOXON: Mr. Armstrong, did you  
2 speak to Mr. Yanny in the hallway?  
3 A Yes.  
4 Q Did you talk to him about the  
5 conversation in the restaurant?  
6 A One aspect of it.  
7 Q Did he ask you what your answers would be  
8 concerning the communications between he and Elstead  
9 concerning the Aznarans?  
10 A I don't think he said it like --  
11 Q Did he ask you any questions at all?  
12 A Right. My recollection of the  
13 conversation.  
14 Q What did Mr. Yanny ask you in the  
15 hallway?  
16 A What do I recall, I believe what do I  
17 recall of that --  
18 Q You don't remember what Mr. Yanny just  
19 asked you in the hallway?  
20 A Something like that, because I gave an  
21 answer to a question like that.  
22 Q He only asked you one question?  
23 A About that.  
24 Q What else did he ask you?  
25 A It was very brief. We all went to the



1       restroom.

2                       That was what that was about.

3               Q       What else did he ask you?

4               A       Nothing comes to mind.

5               Q       You don't remember?

6               A       No.

7               Q       You don't remember what Mr. Yanny asked  
8       you in the last two minutes?

9               A       There is one other detail, and that was  
10       the record about where I had said -- and I possibly  
11       said earlier in a slip because the phrase is usually  
12       attached to Mr. Greene -- and that is coming back into  
13       the Aznaran case as opposed to coming into the Aznaran  
14       case. Which is what happened.

15              Q       You knew that Mr. Yanny was involved in  
16       the Aznaran case back in 1988, didn't you?

17              A       Only in the sense that he was sued with  
18       regards to something concerning the Aznaran case.

19                      But he was never, to my knowledge, an  
20       attorney in the Aznaran case until June or July of  
21       1991, at which time he called me.

22              Q       Mr. Yanny told you to come back in and  
23       clarify that point?

24                      Come back into the deposition and clarify  
25       that point?

5 1 A No, he didn't ask me to come back and  
2 clarify it. He just said that, that I had said it a  
3 couple of times. There was once when he in here  
4 corrected it.

5 Q Out in the men's room or the hallway Mr.  
6 Yanny told you that your testimony was wrong in that  
7 regard?

8 A He had corrected it once in here, and  
9 that I had said it earlier and it had gone  
10 uncorrected. So I took it upon myself to correct it  
11 so that there is no, so that the record is clear.

12 To my knowledge he was never an attorney  
13 for the Aznarans until that time in June or July when  
14 he came into the case.

15 Q My question simply was did Mr. Yanny ask  
16 you to come back in and correct that?

17 A No, he did not.

18 Q What else did Mr. Yanny and you talk  
19 about in the hallway?

20 A I've told you.

21 Q Anything else?

22 A That's it.

23 Q How about over lunch?

24 A Over lunch he asked me a number of  
25 questions.



1 Q What did he ask you?

2 A They were questions concerning the effect  
3 of the Flynn agreements.

4 Of fair game against judges.

5 Of when I first had knowledge of fair  
6 game and what kind of knowledge I had.

7 Q Did Mr. Yanny suggest to you some things  
8 that you could have said and didn't say during your  
9 deposition?

10 A No.

11 Q Such as this fair game business?

12 A No.

13 Q That was your own idea when you walked  
14 back in here, to start talking about fair game?

15 A You asked me what he said at lunch.

16 MR. YANNY: In the hallway?

17 A No, this was over lunch.

18 And that's -- he asked me a number of  
19 questions at lunch which concerned those sorts of  
20 matters.

21 Q BY MR. MOXON: Did Mr. Yanny critique  
22 your testimony at all?

23 A No.

24 The only comment which was made was when  
25 we went to the restroom, and that concerned my earlier

1       apparent -- because I have no recollection of saying  
2       it, but I knew that I said it -- that one time and he  
3       corrected it on the record.

4               Q           When you met with Yanny and Elstead at  
5       the restaurant did Mr. Yanny solicit Mr. Elstead to  
6       work on the Aznaran case?

7               MR. YANNY:   Preserving the objections,  
8       but no instruction.

9               MR. MOXON:   I thought you waived it?

10              THE REFEREE:   He said with no  
11       instruction, no instruction not to answer.

12              MR. BERRY:   He didn't waive the  
13       objections.

14              A           Without a complete understanding of what  
15       you mean by "solicit," it was my belief, perception  
16       that he was communicating to Mr. Elstead with the  
17       intention that Mr. Elstead become involved in the  
18       Aznaran case.

19              Q           BY MR. MOXON:   Going back to a moment in  
20       your conversation with Mr. Yanny about this -- in the  
21       hallway or in the men's room -- about this  
22       communication at the restaurant, after you told Mr.  
23       Yanny what your recollection was, did he tell you that  
24       you were right or words to that effect, and it's okay  
25       to testify about what you told him?



5 1 A No, no.

2 MR. GREENE: Mr. Armstrong, when you just  
3 said "no" twice, was that to both parts of Mr. Moxon's  
4 question?

5 THE WITNESS: The second one was kind of  
6 a jump on my part because I was going to broaden my  
7 answer. Then I thought I'll just stick with a no. So  
8 it was just no to your answer.

9 Q BY MR. MOXON: Mr. Yanny sought Mr.  
10 Elstead's assistance in the Aznaran case?

11 MR. GREENE: Objection, asked and  
12 answered.

13 THE REFEREE: This final time.

14 In your recollection did he, did he seek  
15 Mr. Elstead's participation?

16 A That was the purpose of the meeting, yes.

17 Q BY MR. MOXON: Did Mr. Yanny tell Mr.  
18 Elstead anything about his prior representation of any  
19 Church of Scientology?

20 MR. YANNY: Ongoing objection.

21 THE REFEREE: Alright.

22 A I have no specific recollection of that.

23 But the identity and who he was was not  
24 withheld at all. It was known that he had been a  
25 lawyer for the organization.

5 1 Q BY MR. MOXON: Did he tell Mr. Elstead  
2 that he would continue to assist him if he could do so  
3 in the litigation of the Aznaran case?

4 MR. BERRY: Remind the witness of my  
5 previous objection and instruction.

6 A I have no recollection of that.

7 MR. MOXON: I missed something here.  
8 Did you instruct him not to recall  
9 something?

10 MR. GREENE: Cute.

11 THE REFEREE: I don't think so.

12 Q BY MR. MOXON: Did Yanny infer that he  
13 would provide assistance to Mr. Elstead if Elstead  
14 took the case?

15 MR. GREENE: Objection, calls for  
16 speculation.

17 MR. YANNY: Also asked and answered.

18 MR. GREENE: Also vague and ambiguous.

19 THE REFEREE: Sustained, just as to form.

6 20 MR. MOXON: Your Honor, I have a little  
21 difficulty when the witness continues to assert he  
22 doesn't remember anything specifically.

23 If I can't ask him generally what  
24 occurred, then I'm kind of stuck.

25 THE REFEREE: Okay.



6 1 Inferences is awfully vague. I think you  
2 can rephrase it.

3 Q BY MR. MOXON: Was there any suggestion  
4 to Elstead by Yanny that Yanny would continue to  
5 assist him in the Aznaran litigation?

6 MR. BERRY: Same objection. Same  
7 instruction.

8 A I can give you an impression.

9 Q BY MR. MOXON: Okay.

10 A Mr. Yanny was at that time, as far as I  
11 knew, and as far as what made sense within the  
12 conversation, the attorney of record in the Aznaran  
13 case. He was not at that point, as far as I could  
14 determine, walking away from that meal and no longer  
15 being the attorney of record in the case. I did not  
16 see that there was any shift which was occurring, but  
17 rather that Mr. Elstead was being asked to assist in  
18 the case.

19 So there is an implication therein that  
20 Mr. Yanny's participation is going to continue past  
21 that lunch.

22 Q So Mr. Yanny wasn't trying to hire  
23 Elstead to take over the case, he was talking to him  
24 about coming in with Yanny?

25 MR. GREENE: Objection, compound, vague

6 1 and ambiguous.

2 Calls for speculation.

3 MR. YANNY: And lacks foundation.

4 If he wants to ask what Mr. Yanny was  
5 doing, let him ask Mr. Yanny.

6 THE REFEREE: Mr. Yanny is not -- as you  
7 said, Mr. Yanny's not being deposed today.

8 MR. YANNY: They have already had their  
9 shot.

10 THE REFEREE: You can answer that  
11 question if you have it in mind.

12 THE WITNESS: No, I don't at the moment.  
13 If you could repeat it?

14 THE REFEREE: Do you want to repeat it or  
15 do you want it read back?

16 MR. MOXON: Let me repeat it.

17 Q BY MR. MOXON: I understand from your  
18 testimony, and correct me if I'm wrong, that in the  
19 conversation between Yanny and Elstead, Yanny was not  
20 trying to turn the Aznaran case over to Elstead, but  
21 rather he was trying to bring Elstead into the case to  
22 work with him, is that correct?

23 MR. YANNY: That's not what the testimony  
24 is. The testimony was as he left at lunch. I object  
25 to the mischaracterization of the testimony.



6 1 As he left the lunch there was no  
2 impression that he was walking away from that case  
3 after that lunch.

4 MR. GREENE: It's also --

5 MR. YANNY: It's speculation for God's  
6 sake.

7 THE REFEREE: Come on gentleman.

8 MR. GREENE: The question as a matter of  
9 form is compound.

10 MR. YANNY: It also calls for  
11 speculation.

12 THE REFEREE: Do you understand the  
13 question?

14 Do you have the question in mind?

15 THE WITNESS: Not right now I don't.

16 THE REFEREE: Read it back please.

17  
18 (The record was read as follows:

19 Q BY MR. MOXON: I understand  
20 from your testimony, and correct me if  
21 I'm wrong, that in the conversation  
22 between Yanny and Elstead Yanny was not  
23 trying to turn the Aznaran case over to  
24 Elstead, but rather he was trying to  
25 bring Elstead into the case to work with

1 him, is that correct?)

2

3 MR. YANNY: Again, I object.

4 THE REFEREE: I have all the objections  
5 in mind. They're overruled.

6 However, this is something you can answer  
7 yes or no if you can.

8 A I don't know.

9 Q BY MR. MOXON: I don't understand your  
10 prior testimony.

11 You indicated previously -- and again,  
12 correct me if I'm wrong -- your impression was that  
13 Yanny wasn't walking away from the case at the end of  
14 his conversation with Elstead, is that correct?

15 A My impression was that by the end of the  
16 conversation over lunch, no decision had been made.

17 Q Decision about what?

18 A What we were just talking about.

19 Q What was there to decide?

20 A Mr. Elstead's participation.  
21 What form that would take.

22 When it would begin.

23 If it would begin.

24 Q What did Mr. Yanny ask Elstead to do?

25 MR. BERRY: Same objection. Same



6 1 instruction.

2 A I don't have a specific thing in mind. I  
3 don't know, I just don't know.

4 I know it was participation, but I do not  
5 know what form was going to occur after that. I think  
6 that Mr. Elstead was unbriefed by that time.

7 And no decision was reached.

8 MR. GREENE: Just answer the question.

9 Q BY MR. MOXON: That begs the question of  
10 what the decision was Mr. Armstrong.

11 MR. GREENE: It's assuming there was.

12 MR. YANNY: It's already been asked and  
13 answered.

14 MR. MOXON: If you gentleman please let  
15 me ask the question before you interrupt me and we can  
16 get out of here today.

17 Q BY MR. MOXON: Did Yanny ask Elstead to  
18 come in as counsel of record in the Aznaran case?

19 MR. GREENE: Over the course of that  
20 lunch?

21 THE REFEREE: At that time?

22 A That was my impression.

23 Q BY MR. MOXON: It was also your  
24 impression that Yanny was not intending to leave the  
25 case?

6 1 MR. YANNY: For the third time it has  
2 been asked and answered, and I object to it as  
3 badgering of the witness and the wasting of  
4 everybody's time here.

5 THE REFEREE: Last time.

6 Do you have it in mind?

7 A I do not -- I didn't know.

8 Q BY MR. MOXON: How was it left with  
9 Elstead at the end of the meeting?

10 What was Elstead supposed to do at the  
11 end of that meeting, if you know?

12 A I don't know if he was supposed to do  
13 anything. But I understood that no decision had been  
14 reached.

15 Q Was there an agreement by Yanny and  
16 Elstead that they would communicate again about some  
17 issue?

18 A I don't recall.

19 Q Did Elstead say he would get back to  
20 Yanny and give him a decision?

21 MR. YANNY: It's the same question in a  
22 different way.

23 Object, asked and answered.

24 Badgering of the witness.

25 THE REFEREE: Overruled. You may answer.



1           A           I can tell you about an impression I was  
2 left with.

3           Q           BY MR. MOXON:   Alright.

4           A           That was that this was not the end of the  
5 relationship.   That Mr. Elstead did not flatly say I  
6 am not involved, see you later, don't call me.

7                   It was left.   And I thereafter did not  
8 participate at all in what happened.

9           Q           You and Yanny walked off together after  
10 the lunch?

11          A           I think the three of us walked at least  
12 part of the way and then Yanny and I continued.

13          Q           Was there any discussion over lunch  
14 concerning the transfer of any documents to Elstead  
15 for his review?

16          A           I don't have a recollection of that.

17          Q           Was there any discussion of money during  
18 the meeting?

19          A           I don't have a recollection of that.

20          Q           Did Yanny tell Elstead or suggest to  
21 Elstead that Elstead would make a lot of money if he  
22 came into the case?

23          A           I have no recollection of that.

24          Q           Did Yanny make any reference to  
25 settlement prospects of the case to Elstead?

7 1 A No recollection of that.

2 Q Did Yanny say anything to Elstead

3 indicating that he thought that he could get the case

4 settled?

5 That is Yanny could get the case settled?

6 A No recollection of that.

7 Q Did Yanny tell Elstead why Mr. Greene had

8 been fired?

9 A My recollection of that was that it was

10 the same as I had earlier heard.

11 That was that the organization lawyers

12 had made something of an offer to Barry Van Sickle

13 which required that Ford Greene, or rather that they

14 would not deal with Ford.

15 Q For settlement purposes?

16 A Right, and that they involved Barry Van

17 Sickle in relaying settlement offers to the Aznarans.

18 Q You remember now that you did in fact

19 discuss settlement over that lunch, or they discussed

20 settlement over that lunch?

21 MR. YANNY: I don't necessarily know if

22 that was the question.

23 The question that predicated all this was

24 if he remembered any discussions as to how Ford Greene

25 was fired. Not settlement.



1 MR. MOXON: Answer the question.

2 A Earlier when you were talking about  
3 settlement I believe that it had to do with future  
4 settling of the case. And I would be willing to go  
5 back and have the court reporter look at that.

6 So here I'm talking about the scenerio in  
7 which the Corydon case was being settled with  
8 organization lawyers, and Mr. Van Sickle, in which an  
9 offer or an offer to settle the Aznaran case was in  
10 some way hooked to the, getting Mr. Greene out of the  
11 case.

12 Q BY MR. MOXON: You say you had a prior  
13 understanding about that same issue?

14 A Right.

15 Q From who?

16 A As I put in my declaration, from Mr.  
17 Yanny.

18 Q You and Yanny had talked about settlement  
19 of the Aznaran case previously?

20 A Mr. Yanny, when he called me and asked me  
21 to come down and help him, advised me at that time of  
22 the facts that I just gave to you. At least that's my  
23 recollection of them at this time.

24 Q When I first asked you about settlement  
25 was that the question that you thought was ridiculous

7 1 and didn't want to directly respond to?

2 MR. YANNY: Object, argumentative.

3 A I think I did answer you properly and I  
4 believe that the record will show that you said that  
5 Mr. Yanny, did Mr. Yanny represent that he thought he  
6 would settle the case.

7 That is completely a different matter  
8 from the Corydon settlement talks in which the idea --

9 Q At any rate --

10 MR. YANNY: I would like to object at  
11 this point in time.

12 We turned this back over so we could find  
13 out what was discussed. This is nothing more than an  
14 attempt to filibuster to prevent me from getting any  
15 questioning of this witness.

16 THE REFEREE: Anything else?

17 MR. MOXON: Yes.

18 THE REFEREE: Go ahead.

19 Q BY MR. MOXON: After Yanny told Elstead  
20 at this luncheon meeting about this aborted, alleged  
21 aborted settlement, were there any further discussions  
22 with Elstead about potential actual settlement of the  
23 case?

24 MR. YANNY: May I hear that question back  
25 again please?



1 THE REFEREE: Read it back please.

2  
3 (The record was read as follows:

4 Q BY MR. MOXON: After Yanny  
5 told Elstead at this luncheon meeting  
6 about this aborted, alleged aborted  
7 settlement, were there any further  
8 discussions with Elstead about potential  
9 actual settlement of the case?)  
10

11 MR. YANNY: Again, Your Honor, I object.  
12 This is argumentative questioning that is compound in  
13 form and presupposes a lot of nonsense that is not in  
14 the record.

15 I supposedly now told him about an  
16 aborted settlement proposal at lunch. I'm objecting  
17 to the question as multiply compound in form, vague,  
18 argumentative.

19 MR. GREENE: And lacking in foundation.

20 THE REFEREE: Sustained just as to form.

21 Q BY MR. MOXON: After Yanny briefed  
22 Elstead about the alleged aborted settlement of the  
23 Aznaran case, were there any further discussions about  
24 potential settlement of the Aznaran case with Mr.  
25 Elstead?

8 1 MR. YANNY: I again object to the form of  
2 the question "alleged aborted settlement."

3 It is vague, it is compound, it  
4 presupposes facts not in evidence.

5 The record is --

6 THE REFEREE: Sustained just as to form.

7 MR. MOXON: What part of that discussion  
8 was sustained?

9 THE REFEREE: Anything else you remember  
10 from the conversation?

11 MR. MOXON: I would like to ask him some  
12 specific questions.

13 THE REFEREE: Then ask a specific  
14 question.

15 MR. BERRY: I thought this was a follow  
16 up series of questions by Mr. Moxon, not a new line of  
17 questioning.

18 MR. MOXON: On an hour long meeting?

19 MR. YANNY: It's nothing more than to  
20 attempt to foreclose us from questioning this witness.

21 THE REFEREE: He had terminated the  
22 question and you all came back in and said you  
23 withdrew your objection to his answering questions  
24 about the lunch meeting.

25 As far as I'm concerned we're still at



8 1 the lunch meeting. So -- and nobody is delighted that  
2 this is taking time but --

3 MR. YANNY: Except Mr. Moxon.

4 THE REFEREE: Well, we're all going to be  
5 in this together.

6 Go ahead Mr. Moxon.

7 Q BY MR. MOXON: For foundational purposes,  
8 do you remember the part of the conversation where  
9 Yanny told Elstead about Greene allegedly being fired  
10 because of the Church wouldn't deal with him in  
11 settlement?

12 MR. GREENE: Objection, asked and  
13 answered.

14 MR. YANNY: At least two or three times.

15 MR. MOXON: I'm trying to lay a  
16 foundation.

17 THE REFEREE: Come on gentleman.  
18 Overruled.

19 Do you recall any such, just for  
20 foundational purposes, do you recall that there was  
21 such a conversation?

22 A Yes.

23 Q BY MR. MOXON: After that time were there  
24 any other communications whatsoever about any  
25 potential settlement of the Aznaran case?

1 A Not that I recall.

2 Q Did anybody take notes at this meeting?

3 A I don't believe so.

4 Q Did anybody have a pen out?

5 A I don't believe so.

6 MR. YANNY: Get on with it.

7 Q BY MR. MOXON: Did Mr. Elstead ask Yanny

8 to provide him with any documents?

9 MR. YANNY: This is the third time that

10 same question has been asked and answered.

11 THE REFEREE: In substance I think that's

12 true. Sustained.

13 Next question.

14 A (No response)

15 Q BY MR. MOXON: Did Mr. Yanny represent to

16 Mr. Elstead that you would be available to assist Mr.

17 Elstead in the Aznaran case?

18 A I don't believe so.

19 Q Did you talk to Mr. Elstead about working

20 for him during that luncheon meeting?

21 A Not at that time.

22 Q Did Yanny tell Mr. Elstead that he would

23 supply him with any paralegal assistance?

24 A Not that I recall.

25 Q You're not a trained paralegal, are you,



8

1 by the way?

2 A Yes.

3 MR. BERRY: Objection, relevance.

4 Q BY MR. MOXON: In paralegal school?

5 A Yes.

6 MR. YANNY: Is Matt Ward?

7 Q BY MR. MOXON: Do you have a certificate  
8 as a paralegal?

9 MR. BERRY: Objection.

10 THE REFEREE: This has very little to do  
11 with the lunch meeting.

12 Anything else about the lunch meeting?

13 MR. MOXON: No, we'll suspend the  
14 deposition for now subject to the motion to compel on  
15 these privilege areas.

16 THE REFEREE: Are we going to have Mr.  
17 Greene next?

18 Forgive me. Mr. Yanny?

19 ///

20

21

22

23

24

25

EXAMINATION

1

2

BY MR. YANNY:

3

Q Mr. Armstrong, for the purposes of my

4

questioning, can we arrive at the stipulation whereby

5

I don't call Scientology "the Church" but I call it

6

rather "the organization."

7

You understand exactly what I'm talking

8

about?

9

A Yes.

10

MR. BERRY: I would point out, Mr.

11

Armstrong, that by asking questions Mr. Yanny is not

12

waiving any of his applicable privileges.

13

THE WITNESS: Okay.

14

MR. BERRY: Please answer without

15

violating.

16

Q BY MR. YANNY: Were you ever a member of

17

the organization?

18

A Yes.

19

Q During what period of time, sir?

20

A 1969 through 1981.

21

MR. MOXON: I didn't examine Mr.

22

Armstrong on the subject, cross-examination of new

23

areas.

24

THE REFEREE: While we've got him here

25

let's see --



1 MR. BERRY: So Your Honor understands the  
2 background of this, that there has been a restraining  
3 order entered in Marin County that prevents us from  
4 dealing with this witness on these matters other than  
5 at this deposition.

6 So I think it is disingenuous for Mr.  
7 Moxon to say we're confined to his objection when an  
8 assembly agreement and his representation of his  
9 fellow counsel last week that we should be taking  
10 discovery at the deposition.

11 MR. YANNY: The CCP provides that every  
12 party shall attend and participate or thereafter be  
13 barred from conducting an examination of the witness.

14 MR. BERRY: If this is going to be the  
15 position, we take as being the suppression of evidence  
16 and obstruction of justice, and move accordingly at  
17 the appropriate time.

18 MR. MOXON: You can move wherever you  
19 want.

20 Are you indicating that you're taking now  
21 Mr. Armstrong's deposition in this case for use in  
22 another case?

23 MR. BERRY: No.

24 MR. YANNY: We're taking it for use in  
25 this case.

9 1 THE REFEREE: Let's go ahead with our  
2 deposition.

3 Q BY MR. YANNY: You said from '69 to '81  
4 you were a member of the organization, is that  
5 correct?

6 A Yes.

7 Q What various posts did you hold during  
8 that time Mr. Armstrong?

9 A My first post was a course supervisor.  
10 And then I held, in the Vancouver  
11 franchise, deputy executive director.

12 Then I joined the Sea Org the beginning  
13 of 1971.

14 And my first official post was storesman.  
15 Then I became a bosun and transporter in  
16 charge; became the ship's driver.

17 Q Slow down.

18 A Beginning of 1972 I became the ship's  
19 representative, which was legal officer on board.

20 Q That was 1972?

21 A Right.

22 Then I became, for a brief time, the port  
23 captain.

24 For another brief time public relations  
25 officer.



1 In 1974 through approximately September  
2 1975 I was the intelligence officer on board the ship.

3 I then transferred to Daytona Beach and I  
4 was the intelligence officer in the Guardian's Office  
5 unit in to Daytona Beach.

6 Q For what period of time?

7 A A couple months in the fall of 1975.

8 For a brief period of time I was the  
9 mimeo operator.

10 Then I became, in December '75 through  
11 June of 1976, the deputy LRH external communications  
12 aide. "LRH" is L. Ron Hubbard.

13 Q External --

14 A Communications aide.

15 From July 1, '76 through December 1, '77  
16 I was the, I was assigned to the RPF, Rehabilitation  
17 Project Force.

18 I held a number of positions in the RPF.  
19 Member, section leader, bosun. For a brief time at  
20 the end of 1977 I was assigned to a CMO unit,  
21 commodore's messenger organization.

22 Q Latter part of '77?

23 A Yes.

24 Q Is that sometimes affectionately referred  
25 to as the "CMO?"

9 1 A Yes.  
2 Q Thank you.  
3 A From the end of 1977 through the fall of  
4 1978 I was at La Quinta in what was called then  
5 Special Unit. And throughout most of that time I held  
6 various positions in the film crew.

7 From the fall of 1978 through the spring  
8 of 1979 I was again in the RPF. First at La Quinta,  
9 and then at a new property, Gilman Hot Springs.

10 Q Is that referred to as "Happy Valley?"

11 A No, that's a different property.

12 Q Are those out in the desert?

13 THE REFEREE: The court can take judicial  
14 notice that it's in the desert.

15 MR. MOXON: Can we take a break for two  
16 minutes?

17 MR. YANNY: Could we get him to finish  
18 this answer first?

19 THE REFEREE: About his career?

20 Yes. We'll finish the career and then  
21 we'll take five minutes.

22 A And then from the spring of 1979 through  
23 the end of 1979 I was in the LRH household unit.  
24 First as the LRH renovations purchaser, then as the  
25 LRH renovation in charge.



1                   At the same time I was the deputy  
2     commanding officer of household unit, DCOHU, at Gilman  
3     Hot Springs.

4                   And then at the beginning of 1980 I  
5     became the LRH researcher archivist, called either  
6     one; LRH archivist, LRH researcher.

7           Q       BY MR. YANNY: Did you maintain that  
8     position until your departure from the organization?

9           A       Yes.

10          Q       Approximately when was that?

11          A       December 1981.

12          Q       Was there any particular reason for your  
13     departure in December of 1981?

14                  THE REFEREE: That sounds like an  
15     open-ended question and we'll take our break.

16                  We'll resume with that question when we  
17     return.

18  
19                               (Recess taken 2:40 p.m. to 2:47

20                               p.m.)

21     ///

22  
23  
24  
25                               (The record was read as follows:

9 1 Q Was there any particular  
2 reason for your departure in December of  
3 1981?)  
4

5 A Uhm --

6 MR. YANNY: Yes or no will do.

7 A Yes.

8 Q BY MR. YANNY: Would you state for the  
9 record what that reason was, or reasons were?

10 A Broadly, it was time to go.

11 But there were a number of incidents and  
12 factors which led up to my decision to leave and  
13 leaving at that time.

10 14 Q Briefly outline for us what those reasons  
15 and factors were that led up to your leaving at that  
16 time?

17 A I had, through my research, my assembly  
18 of documents relating to L. Ron Hubbard, come to the  
19 conclusion that the man had lied about his  
20 credentials, accomplishments, his history. And in  
21 that process I had also really deprogrammed myself.

22 I had attempted to, for a period of time,  
23 in 1981, get the organization to change its position  
24 regarding representations it was making at that time  
25 about Hubbard, about the efficacy of the technology



10 1 and about the way it dealt with critics.

2 And there came a time when I realized  
3 that my seniors and the people who then were in  
4 control, underneath Hubbard of the organization, were  
5 not going to change, and I was really not going to be  
6 listened to, and that my days were numbered. So I  
7 made the decision at that time to leave without  
8 permission, and I did that.

9 Q Let me ask you this. This was 1981. Was  
10 Mr. Hubbard still --

11 You had testified that in 1977 through  
12 '78, for instance, you were at La Quinta as part of a  
13 special unit, and from 1979 through the, spring of  
14 1979 through the end of 1979 you testified -- if I'm  
15 not mistaken -- that you were part of LRH's household  
16 unit, holding various posts, is that correct?

17 A Right.

18 Q Were you familiar with Mr. Hubbard?

19 A Yes.

20 Q Would you consider him to have been a  
21 close friend?

22 MR. MOXON: I object to this area as  
23 being irrelevant. This lawsuit only concerns Mr.  
24 Yanny's breaches of his attorney-client  
25 responsibilities in the last couple of years, at most.

0 1 Mr. Armstrong's background back in the  
2 seventies and eighties, although Mr. Yanny is  
3 interested in it, doesn't have any relevance  
4 whatsoever to the issues that are set forth in the  
5 complaint, or the answer or the counterclaim or  
6 anything else.

7 MR. YANNY: Mr. Moxon asked Mr. Armstrong  
8 if he was an expert. Mr. Armstrong indicated that he  
9 was an expert on the aspects of fair game and many  
10 other aspects of Scientology. He's a percipient  
11 witness in this case.

12 I have been sued for having represented  
13 this man, allegedly, in this litigation, and I'm  
14 trying to lay some foundation of this man's  
15 understanding of the organization, of the people who  
16 run that organization, the depth of his understanding  
17 of that organization, and the people who run that  
18 organization, and some of his experiences within that  
19 organization, to show that he was exactly the man  
20 whose testimony I need with respect to the unclean  
21 hands defense which has been raised in this  
22 litigation, the in parte delecto defense, the  
23 unenforceability of fraudulent agreements which has  
24 been raised in this litigation, and possibly to  
25 explore on that if other additional things can be



1 added.

2 I'm simply trying to lay a foundation of  
3 this man's understanding of the operation that went  
4 down in the sixties, seventies and into the eighties,  
5 that ultimately resulted in his departure.

6 He has been designated as an expert in  
7 one case, and I believe he has been designated as an  
8 expert in this case, and he is going to be a  
9 percipient witness.

10 MR. MOXON: Percipient witness as to what  
11 happened in the last 11 years, 11 years ago, and his  
12 other allegations about Church practices have nothing  
13 whatsoever to do with this case.

14 THE REFEREE: Is there any issue about  
15 his expertise?

16 MR. MOXON: He's not been identified as  
17 an expert. It's never arisen in this case.

18 MR. YANNY: You'll waive any objection of  
19 him being designated?

20 I don't believe there has been any swap  
21 of expert identifications.

22 MR. MOXON: He's not been designated as  
23 an expert.

24 MR. BERRY: We would be delighted to  
25 designate him as an expert. In fact, we didn't

1 consider it.

2 MR. YANNY: We have been held by a  
3 temporary restraining order from talking to this man  
4 up in Marin.

5 MR. BERRY: That is correct, there is a  
6 lot of things we could ask this man privately, but we  
7 cannot.

8 MR. MOXON: The protective order happened  
9 in Marin County last week.

10 MR. BERRY: The restraining order  
11 restrains us from discovery other than in this  
12 deposition room.

13 MR. GREENE: That order was made by the  
14 bench, by Judge Michael Dufacy on March 3, which is  
15 close to two weeks ago. (Phonetic)

16 MR. BERRY: At the request of  
17 Scientology.

18 MR. MOXON: It has nothing to do with  
19 this case.

20 MR. GREENE: It has everything to do with  
21 this case.

22 THE REFEREE: Thank you folks.

23 We'll have some more questions in the  
24 area and I'm really asking you -- I think we'll go off  
25 the record for a minute.



11 1  
2 (Discussion held off the record.)  
3

4 Q BY MR. YANNY: Mr. Armstrong, you made  
5 representations that your seniors would not listen to  
6 you.

7 Do you recall that statement in your  
8 testimony a moment or two ago?

9 A Yes.

10 Q Who were you referring to when you said  
11 "your seniors?"

12 A In that specifically, Norman Starkey.

13 Also L. Ron Hubbard.

14 Q What was your familiarity with David  
15 Miscavige, if any?

16 A I knew that David Miscavige at that time  
17 was a relay terminal to get organization  
18 communications to and from Hubbard.

19 And that Miscavige had a position of  
20 power in the organization via his posting in W.D.C. or  
21 Watchdog Committee. And as the CMO Mission Ops --

22 MR. MOXON: I object, that this whole  
23 area seems to be completely irrelevant.

24 What the roles of various Church persons,  
25 what they did in the Church -- you sustained an

1 objection on the right of privacy as to who the people  
2 are that have contributed to a public corporation, yet  
3 we're going on at great length as to the  
4 responsibilities of individual Church members back  
5 prior to 1981. I object.

6 MR. YANNY: If I might, I'm going to show  
7 that these positions were obtained by Mr. Starkey by  
8 Mr. Miscavige, et cetera, after Mr. Hubbard went into  
9 hiding in 1980, and that those positions of power  
10 carry forward to the present.

11 These people have made misrepresentations  
12 to this court in this case as to who really runs the  
13 organization with respect to discovery that we have  
14 sought. I'm trying to lay foundation through this  
15 percipient witness.

16 MR. MOXON: There is no issue whatsoever  
17 in this case as to who was in control in this Church  
18 in the early 1980's.

19 Mr. Yanny is seeking discovery for one  
20 other purpose, but it has nothing to do with this  
21 case.

22 THE REFEREE: Let's go forward and see  
23 where we are.

24 Q BY MR. YANNY: Have you ever heard the  
25 term "Special Project L?"



1 A Yes.

2 Q Would you tell us what you understood  
3 that to be?

4 MR. MOXON: That is apparently dealing  
5 with some Church practice or organization. Nothing to  
6 do with this case.

7 THE REFEREE: Your objection is noted.  
8 You can answer.

9 A That was a title which Marty Rathbun  
10 held.

11 Special Project was the group of  
12 individuals who in 1981 began to form the basis of the  
13 units which took over control of what had been  
14 Guardian's Office functions in the organization.  
15 Specifically organization legal matters, organization  
16 financial matters, organizational intelligence  
17 matters.

18 Q BY MR. YANNY: Was that part of a project  
19 that you came to know as the "MCCS" or "mission  
20 corporate changeover sort out," sir?

21 MR. MOXON: I object, irrelevant.

22 THE REFEREE: Noted.

23 You may answer.

24 A MCCS was Mission Corporate Category Sort  
25 Out. And it began in 1980 and I was a part of it in

1 1980.

2 And it preceded the Special Project,  
3 although it was operated by David Miscavige as a CMO  
4 mission at that time. It had the purpose of  
5 restructuring the organization corporately so that  
6 Hubbard could continue to control the organization.

7 MR. MOXON: Objection, move to strike as  
8 unresponsive.

9 They're open-ended questions.

10 MR. YANNY: If he can finish the answer?

11 MR. MOXON: Then he goes on for five  
12 minutes.

13 THE REFEREE: I note that. Let's finish  
14 this particular answer.

15 A And then Special Project was a second  
16 unit which involved at that time, Norman Starkey,  
17 Terry Gamboa, and another couple of people whose names  
18 I don't have right now.

19 But it grew in size and it ultimately  
20 took over from MCCS the restructuring of the  
21 organization.

22 Q BY MR. YANNY: And that was in 1981 that  
23 this project began?

24 A Right.

25 Q And it was your understanding that



1 Special Project L was a title that Marty Rathbun held  
2 with respect to that Special Project.

3 MR. MOXON: Objection, leading question.

4 A Correct.

5 THE REFEREE: I do think it's leading.  
6 And this is hardly a hostile witness.

7 So the question and answer will stand,  
8 but bear in mind the leading objection.

9 MR. YANNY: Thank you Your Honor.

10 MR. MOXON: I have a continuing objection  
11 also as to the relevance of this entire area.

12 THE REFEREE: Thank you.

13 Q BY MR. YANNY: Let me ask you, maybe I  
14 misheard you, but did you state that in 1974 through  
15 '75 you were the intelligence officer?

16 MR. MOXON: Objection, asked and  
17 answered.

18 Also irrelevant.

19 THE REFEREE: You know, let's see where  
20 we go.

21 A I was the intelligence officer on board  
22 the ship at that time.

23 And then I was the, I was not posted in  
24 the Guardian's Office at that time.

25 Then I, when we came ashore then I was

1 posted in the Guardian's Office as intelligence  
2 officer at Daytona Beach.

3 Q BY MR. YANNY: The total time that you  
4 were in an intelligence gathering function or acted as  
5 an intelligence officer was for how long?

6 A I guess a total of a year. Something  
7 like that.

8 Q What was a nice Church like yours doing  
9 with an intelligence department anyway?

10 MR. MOXON: Objection. That's a highly  
11 harassing, ridiculous question.

12 A Its --

13 THE REFEREE: It's not a harassing  
14 question.

15 MR. MOXON: It is to the plaintiff.

16 THE REFEREE: That could well be, but not  
17 to the witness.

18 MR. MOXON: It's an inappropriate  
19 question.

20 THE REFEREE: Let's stop a minute.

21 If we're just going down a broad history  
22 of the Church then I think maybe the objection is well  
23 taken.

24 I don't want to cut off the questioning  
25 because I'm really not clear as to what you're trying



1 to establish or what you need for your defenses. But  
2 we appear to be in a very general area in these broad  
3 stroke questions.

4 MR. YANNY: It's foundational.

5 Indulge me for about 10 minutes more, and  
6 if I don't --

7 THE REFEREE: Okay.

8 Q BY MR. YANNY: Mr. Armstrong, I believe  
9 there was a question pending, wasn't there?

10 THE REFEREE: What's a nice Church doing  
11 in a place like this?

12 Q BY MR. YANNY: What was a nice Church  
13 doing with an intelligence gathering operation anyway?

14 THE REFEREE: More legally put, why did  
15 you have intelligence operations?

16 A Hubbard perceived that we were at war and  
17 that he had, and as a result the organization had  
18 powerful enemies, enemies of different kinds. And an  
19 important, a vital part of his waging war was  
20 intelligence.

21 MR. MOXON: Move to strike. Lack of  
22 personal knowledge.

23 He's testifying from some kind of hearsay  
24 or conclusion. Mr. Yanny represented that he wanted  
25 some personal testimony.

1           Q           BY MR. YANNY: Did Mr. Hubbard ever tell  
2 you that?

3                   MR. MOXON: Now this witness is going on  
4 about the perceptions of some person who has been  
5 passed away for five years.

6                   THE REFEREE: Lay some foundation.

7           Q           BY MR. YANNY: Upon what do you base that  
8 conclusion, sir?

9           A           I studied, possessed policies,  
10 instructions, orders which came from Hubbard regarding  
11 the establishment of the intelligence apparatus of the  
12 organization.

13                   He took an active interest in  
14 intelligence, in the organization. He issued orders  
15 to the intelligence bureau. His wife controlled the  
16 intelligence bureau under his directions.

17                   MR. MOXON: Move to strike.

18                   Lack of foundation.

19                   Lack of personal knowledge. There is no  
20 foundation established.

21                   And irrelevant.

22                   MR. YANNY: Let me see if I can lay the  
23 foundation.

24                   MR. BERRY: Could the witness finish  
25 answering the question?



1 THE REFEREE: Lay the foundation.

2 Q BY MR. YANNY: Mr. Armstrong, were you  
3 aware of a case called "U.S. v. Hubbard?"

4 A Yes.

5 Q That was a case that began in or about  
6 1977?

7 A Yes.

8 Q Were you aware of a stipulation of  
9 evidence that was entered in that case?

10 A Yes.

11 Q Did it basically stipulate to the very  
12 things that you're talking about right now?

13 A Yes.

14 Q Did Mary Sue Hubbard go to jail for a  
15 period of time as a result of the stipulations entered  
16 into at that time?

17 A Yes.

18 MR. MOXON: I have an objection. He has  
19 laid absolutely no foundation for his questions.

20 He's saying I'm going to lay a  
21 foundation. He's saying are you aware of a decision  
22 that was handed down in this case. That doesn't lay  
23 any foundation whatsoever as to his alleged personal  
24 knowledge, the fact that he read this decision.

25 MR. YANNY: This was a stipulation of

1 evidence in a case called "U.S. v. Hubbard" in  
2 Washington, D.C., in which you yourself, Mr. Moxon,  
3 are named as an unindicted co-conspirator.

4 MR. MOXON: That's a foundation for  
5 personal knowledge for this witness to know anything?  
6 How would Mr. Armstrong know anymore than any human  
7 being who would read some court report?

8 Mr. Yanny, as you can see, has no  
9 scruples whatsoever about attempting to use anything  
10 he may have learned as counsel and use that as an  
11 alleged defense. It has absolutely no relevance to  
12 anything in this case.

13 MR. YANNY: It has relevance to unclean  
14 hands.

15 MR. MOXON: Unclean hands is not a  
16 defense, saying something happened 15 years ago and  
17 because you did something that I allege was improper  
18 15 years ago it excuses me from committing a tort  
19 against you in 1991.

20 MR. YANNY: Allow me to continue  
21 foundation.

22 THE REFEREE: It's discovery gentleman.

23 MR. MOXON: Judge Cardenas didn't allow  
24 it Your Honor. It's not been admitted in this case.

25 MR. BERRY: Are you suggesting it's res



1       judicata?

2                   MR. MOXON:  You went through a whole  
3       thing before Judge Cardenas.  There are hundreds of  
4       pages about it.  Judge Cardenas said you couldn't do  
5       it.

6                   MR. YANNY:  Do not misrepresent to this  
7       man.

8                   MR. MOXON:  You're trying to put in front  
9       of the master what Judge Cardenas has not allowed you  
10      to do.

11                  THE REFEREE:  What's the status and  
12      pleadings in this case?

13                  MR. YANNY:  The pleadings in this case  
14      include many affirmative defenses, including unclean  
15      hands.  I made an offer of proof.

16                  MR. YANNY:  It was part of an ongoing  
17      business practice about which you have attempted to  
18      suppress evidence, and this witness has percipient  
19      knowledge of the facts around it.

20                  MR. MOXON:  That's like saying because  
21      you murdered your father many years ago we can bring  
22      that up in this case.

23                  So what?

24                  MR. YANNY:  If I did it in a particular  
25      fashion perhaps it would be relevant.

1 THE REFEREE: Thank you folks, for the  
2 moment it's just discovery.

3 Let's go forward with it.

4 MR. MOXON: I really strenuously object,  
5 since I have been cut off from so many things that  
6 were actually directly relevant.

7 Q BY MR. YANNY: Did L. Ron Hubbard own any  
8 shares in the Gerald Armstrong Corporation?

9 I withdraw the question, it was humor.

10 That stipulation of evidence, you  
11 mentioned an entity called the "Guardian's Office," is  
12 that correct?

13 A Right.

14 Q Would you tell Your Honor what the  
15 Guardian's Office was?

16 A The Guardian's Office was a branch of the  
17 Scientology organization which was created in 1966,  
18 lasted through 1981 and controlled underneath Hubbard  
19 and Mary Sue Hubbard's direction, the financial,  
20 public relations, legal and intelligence arms of  
21 Scientology.

22 Q Did you have personal knowledge?

23 MR. MOXON: Move to strike. Lack of  
24 foundation.

25 A Yes, I did.



1 Q BY MR. YANNY: Upon what do you base that  
2 personal knowledge?

3 A On many policies.

4 Policy letters which were written by  
5 Hubbard which laid out the structure of the Guardian's  
6 Office.

7 Personal experience within the Guardian's  
8 Office.

9 My study of Guardian's Office policies.

10 My study of Guardian's Office  
11 intelligence policies and orders.

12 Q And you were a member of the Guardian's  
13 Office, is that not correct?

14 A For a brief time and throughout my time  
15 in the, as the intelligence officer on board the ship,  
16 my direct senior was the assistant guardian for  
17 intelligence assigned to the ship.

18 So during that period of time there was a  
19 Guardian's Office bureau on board the ship, so  
20 essentially I operated in the Guardian's Office at  
21 that time. Although the posting remained a Sea Org  
22 posting.

23 Q Did you become aware at any point in time  
24 of a doctrine known as a "fair game policy?"

25 A Yes.

1 Q Would you tell us what that is?

2 MR. MOXON: Objection, irrelevant.

3 THE REFEREE: Overruled.

4 You may answer.

5 A "Fair game" is a doctrine, philosophy and  
6 policy within the organization, created by Hubbard,  
7 for dealing with perceived enemies of the  
8 organization.

9 It states specifically that someone who  
10 is declared fair game, that is a perceived enemy, may  
11 be lied to, cheated, stolen from, sued and destroyed,  
12 without any action being taken against the person so  
13 doing that.

14 MR. MOXON: Object, lack of foundation.

15 Q BY MR. YANNY: Does the policy state that  
16 it can be accomplished -- "it" being the destruction  
17 of the perceived enemy -- by any means?

18 A Yes.

19 MR. MOXON: Object, leading question.

20 THE REFEREE: It is a leading question  
21 Mr. Yanny.

22 Let's pose our questions carefully.

23 Q BY MR. YANNY: Is that policy that you've  
24 just talked about a written policy?

25 A Yes.



1 Q Have you personally read it?

2 A Yes.

3 Q You've personally heard Mr. Hubbard  
4 discuss it?

5 A No.

6 Q On tape?

7 A I have heard Hubbard's discussion of  
8 enemies of the organization.

9 MR. MOXON: Move to strike.

10 Unresponsive.

11 A On tape. But not that I recall the term  
12 "fair game" on tape.

13 Q BY MR. YANNY: The GO was disbanded at  
14 some point in time, is that not correct?

15 MR. MOXON: Objection, leading question.

16 THE REFEREE: You can answer that.

17 Was it or was it not disbanded?

18 A In part it was disbanded. Some of the  
19 personnel were gotten rid of. Some were retained.

20 The functions were retained and the name  
21 was changed to the Office of Special Affairs.

22 MR. MOXON: Objection, lack of  
23 foundation.

24 Mr. Armstrong indicated that he left the  
25 Church in 1981. Apparently he's testifying about

1 things that happened long after he left.

2 MR. YANNY: Apparently Mr. Moxon knows  
3 all about 'em.

4 THE REFEREE: He may know.

5 Lay some foundation. The source of your  
6 knowledge.

7 Q BY MR. YANNY: The source of your  
8 knowledge as to what happened there, sir?

9 A I was present in the organization when  
10 the upper echelon of the Guardian's Office were  
11 removed by CMO operations. That was, occurred in  
12 1981.

13 I have subsequently seen declarations by  
14 later members of the Office of Special Affairs  
15 indicating the creation of OSA to perform those GO  
16 functions.

17 MR. MOXON: I move to strike. He's  
18 testified the basis of his knowledge is hearsay.

19 MR. YANNY: Let me see if I can clarify  
20 that and perhaps get a hearsay exception.

21 THE REFEREE: Go ahead.

22 Q BY MR. YANNY: You just made reference to  
23 certain documents.

24 You made reference to a lot of documents;  
25 fair game policy, the stipulation of evidence, other



1 documents that you've seen that indicated to you that  
2 OSA or Office of Special Affairs had replaced the  
3 Guardian's Office, is that correct?

4 A Right.

5 MR. MOXON: Objection, the testimony does  
6 not --

7 THE REFEREE: This all may be stricken.  
8 Let's see if we can get around the hearsay.

9 MR. MOXON: My objection, Your Honor, is  
10 that it's a mischaracterization of the testimony. Mr.  
11 Armstrong --

12 MR. YANNY: It's a mischaracterization of  
13 the documents.

14 MR. MOXON: Mr. Armstrong has testified  
15 that the stipulation of evidence was in the seventies.  
16 He's indicated that now that was what he read in the  
17 seventies.

18 Mr. Yanny is trying to put words in his  
19 mouth as to what he read in the seventies indicated  
20 what happened later on after he left the Church in  
21 '81.

22 THE WITNESS: I didn't take his question  
23 to mean that; that he referred to documents which I  
24 had seen fair game for example, back the beginning of  
25 the seventies.

1                   The transfer of GO to OSA did not happen  
2                   until the eighties.

3                   MR. MOXON: I move to strike.

4                   Q           BY MR. YANNY: Let me ask you something,  
5                   did you as a result -- let me withdraw that.

6                   Were you required at any point in time to  
7                   turn over to the custody of the organization any or  
8                   all of the documents you have just made reference to  
9                   that were in your possession?

10                  THE REFEREE: You mean the declarations  
11                  and whatnot?

12                  Q           BY MR. YANNY: No, not the declaration.  
13                  I'm talking about the documents such as the  
14                  stipulation of evidence, such as the fair game policy.

15                  Let me ask you --

16                  MR. MOXON: Objection, compound.

17                  MR. YANNY: Let me withdraw the question.

18                  Q           BY MR. YANNY: When you left in December  
19                  of 1981 did you take anything with you?

20                  A           You mean organization documents?

21                  Q           Yes, sir?

22                  A           All of the documents at that time that I  
23                  took with me or had outside the organization, I  
24                  delivered to Omar Garrison.

25                  Omar Garrison was the writer outside of



1       Scientology with whom I had been working on a Hubbard  
2       biography project in 1980 and 1981.

3               THE REFEREE:   Is the answer to the  
4       question that yes, you did take some material with you  
5       which you later turned over to this other gentleman?

6               THE WITNESS:   The documents, any  
7       documents that I had I did not take with me.   I  
8       delivered to him, then I left.

9               Q           BY MR. YANNY:   So you delivered --

10              If I understand your testimony what you  
11     did is while still a member of the organization you  
12     delivered the documents and/or tapes, if I understand,  
13     to Mr. Garrison while you were still a member of the  
14     organization, and then left the organization and  
15     obtained those documents from Mr. Garrison?

16              MR. MOXON:   Objection, compound question.  
17     I have no idea what this question --

18              THE REFEREE:   Do you understand the  
19     question?

20              A           I think I can clarify it for everyone.

21              MR. MOXON:   I object, there is not a  
22     specific question.   You can't just testify on your  
23     own.

24              THE REFEREE:   Objection sustained, just  
25     as to the form of the question.

1 Q BY MR. YANNY: Let me lay just a little  
2 bit more foundation.

3 Had you ever heard of an enemies list?

4 MR. MOXON: Objection, vague and  
5 ambiguous.

6 Are you talking about the IRS enemies  
7 list or the Church?

8 MR. YANNY: I'm talking about the  
9 organization's enemies list.

10 THE REFEREE: As to time, any time he saw  
11 a list?

12 Q BY MR. YANNY: Any time during your  
13 membership in the organization?

14 A I had seen in the organization lists of  
15 enemies.

16 Q Was the Judiciary considered one of the  
17 enemies listed on that list?

18 A Yes.

19 Q Was the Executive Branch of the United  
20 States Government considered to be one of the enemies?

21 MR. MOXON: I object.

22 A I don't recall that it was that broad and  
23 even as to the judiciary, that broad.

24 But that there were specific individuals  
25 or specific agencies, some that I recall, Food and



1 Drug Administration, that sort of thing.

2 And there were lists of individuals and  
3 agencies who were considered enemies of the  
4 organization and there were lists of those.

5 MR. MOXON: Move to strike, lack of  
6 foundation.

7 We still have pending all these other  
8 questions.

9 THE REFEREE: This particular, this  
10 subject motion to strike is denied.

11 The other one is still under submission.

12 Q BY MR. YANNY: Let me ask you this Mr.  
13 Armstrong.

14 In 1977 there was a raid conducted on the  
15 organization, was there not, by federal agencies?

16 A Yes.

17 Q And you were aware of that?

18 A Yes.

19 Q As a member of the organization?

20 A Yes.

21 Q That was on GO offices, Guardian's  
22 offices?

23 A Yes.

24 Q Were documents confiscated at that time  
25 by the United States Government?

1           A           Yes.

2           Q           Did you, subsequent to your departure  
3 from the organization, obtain copies of the documents  
4 that the government had seized?

5                   MR. MOXON: All of them?

6           A           Not all of the documents that were  
7 seized.

8                   But I had possession of certain of those  
9 documents, and while working in the Flynn, at that  
10 time Flynn Joyce and Sheridan firm in Boston in 1985  
11 and '86, I had access to a fairly massive quantity of  
12 what were then known as the seized documents.

13                   MR. MOXON: Objection to this whole area,  
14 it's irrelevant.

15                   We're now talking about something that  
16 occurred in 1977, about documents that were allegedly  
17 seized in 1977. How they relate to what Mr. Yanny did  
18 20 years later --

19                   THE REFEREE: It's not quite 20 years  
20 later. I think that we will --

21                   MR. MOXON: Fifteen years later.

22           Q           BY MR. YANNY: Mr. Armstrong, did you  
23 become familiar with the contents of those documents?

24           A           Yes.

25           Q           Did you at any point in time, were you at



1 any point in time required as a result of any  
2 arrangement with the organization to return all copies  
3 of those documents to the organization?

4 MR. MOXON: Objection, ambiguous.

5 I don't know what documents you're  
6 talking about Mr. Yanny.

7 MR. YANNY: The seized documents.

8 THE REFEREE: I'm taking it as addressed  
9 to the copies of the seized documents that were in the  
10 witnesses possession.

11 MR. MOXON: He testified that he saw them  
12 in a law office. The question is were you required to  
13 return documents in a law office.

14 Q BY MR. YANNY: That's not my question.

15 You testified that you during, subsequent  
16 to your departure from the organization in December of  
17 1991 obtained copies and access to what you called the  
18 "seized documents."

19 Is that a correct recitation of your  
20 testimony so far?

21 A Correct.

22 Q Were you at any point in time required to  
23 return any and all copies which you possessed of those  
24 documents to the organization?

25 A Yes.

1 Q And when was that sir?

2 A That was in December of 1986. Culminated  
3 in January of 1987.

4 Q Now, to the best of your recollection,  
5 since then have you obtained copies of those documents  
6 back from the organization?

7 A No.

8 Q Have you asked for them back from the  
9 organization?

10 MR. MOXON: Objection, irrelevant.

11 A My recollection is that a request was  
12 made in the Armstrong I case, but I'm not certain if  
13 that's the case.

14 Q BY MR. YANNY: When you refer to the  
15 Armstrong I case you're referring, are you not sir, to  
16 a lawsuit that was instituted against you, Gerald  
17 Armstrong, in or about 1980 --

18 A '82.

19 Q -- by the organization and Mary Sue  
20 Hubbard?

21 A Mary Sue Hubbard intervened later in that  
22 year, yes.

23 Q For your possession of these and other  
24 documents, is that correct?

25 MR. MOXON: Objection, ambiguous



1 question.

2 THE REFEREE: I don't understand that  
3 one. Do you want to re-state it?

4 Q BY MR. YANNY: You were sued in 1982 by  
5 the organization and Mary Sue Hubbard, is that  
6 correct?

7 A Yes.

8 Q What was the purpose of that suit as you  
9 understand it currently?

10 A It had to do with my transmission of  
11 documents to my lawyers at that time, that is Michael  
12 Flynn and Julia Dragojevic which I had obtained from  
13 Omar Garrison in the spring and summer of '82 in order  
14 to send to them.

15 Q Was that suit eventually culminated? Did  
16 it terminate in some fashion?

17 A Yes.

18 Q Did that suit eventually settle?

19 MR. MOXON: Objection, Mr. Yanny knows  
20 that the settlement of that suit was the subject of a  
21 confidential agreement between the parties.

22 He's attempting to use information he  
23 acquired as counsel for the Church to further breach  
24 and further commit torts against the plaintiff.

25 MR. YANNY: Objection. This is a

1 published opinion.

2 MR. BERRY: I would also point out the  
3 settlement agreement has been filed in open court in  
4 Marin County, and if Mr. Moxon is referring to  
5 privileges they have been waived by the commencement  
6 of this litigation and were held in the past  
7 litigation to have been partially right --

8 MR. MOXON: Is it relevant to this case?

9 MR. YANNY: I'll show in a second.

10 MR. MOXON: We're always trying catch up,  
11 but we never get the actual relevance.

12 MR. YANNY: I think that's why you  
13 protest so hard is because you know the relevance.

14 THE REFEREE: Thank you folks.

15 I note an objection. The question is was  
16 there a settlement, and that's a yes or no I believe.

17 A There was a partial settlement.

18 Q BY MR. YANNY: Has the terms --

19 Was that a written settlement instrument?

20 A Yes.

21 Q Has that settlement instrument, since  
22 it's entry, become public record?

23 A Yes.

24 Q Is that in the court of appeals?

25 A Yes.



1           Q           Is it also public record, to your  
2 knowledge, in the "Corydon v Scientology" case in the  
3 Los Angeles Superior Court files?

4           A           It was at one time.

5           Q           Has that also been made public record in  
6 the Marin County case these people have just filed  
7 against you?

8           A           Yes.

9                   MR. MOXON: I also object to this whole  
10 line of question as leading.

11                   THE REFEREE: They have been leading, but  
12 I figure it's saving a little time.

13                   Now, let's see if I understand what  
14 ya'all are saying. Ya'all are saying that the  
15 settlement agreement in Armstrong I -- if I understand  
16 it correctly, if I understand the terminology  
17 correctly -- has been breached in some fashion and  
18 that the agreement is a matter of public record in the  
19 court records of the Marin County Superior Court, is  
20 that correct?

21                   MR. GREENE: Yes.

22                   MR. BERRY: Scientology's own counsel up  
23 there, Mr. Wilson, said so in the public record two  
24 weeks ago.

25                   MR. MOXON: I object to one thing, that

1 is that Scientology is the name of a religion, Mr.  
2 Berry, as you know. There is a specific plaintiff up  
3 there apparently.

4 I also have yet to see any relevance of  
5 the entire line of questioning to any issue in this  
6 case.

7 MR. YANNY: If I might show you.

8 THE REFEREE: I realize you have a  
9 continuing objection. I'm still seeking the relevance  
10 and we'll see where we are.

11 MR. BERRY: I might add that the Flynn  
12 settlement agreements and their circumstances  
13 surrounding their entry into and specifically  
14 discussed in the affirmative defense in this case.

15 Q BY MR. YANNY: Your agreement, the  
16 agreement of Armstrong settling the portion of your  
17 case which settled, which is now moved into the public  
18 record in a number of locations, was only one of a  
19 series of Flynn agreements, is that your  
20 understanding?

21 A Yes.

22 MR. MOXON: Objection, leading question.

23 THE REFEREE: It is a leading question.  
24 Put 'em in a different form.

25 There were a series of Flynn settlements?



1 THE WITNESS: Right.

2 MR. MOXON: I request an admonition to  
3 the witness.

4 We have all these leading questions.  
5 When I asked him a question he would wait five or 10  
6 seconds before he answered. Now he answers  
7 immediately.

8 THE REFEREE: Any time there is a  
9 question, just wait.

10 Q BY MR. YANNY: In addition to your --  
11 Do you consider your agreement -- I'll  
12 rephrase it.

13 Mr. Armstrong, do you consider the  
14 Armstrong settlement agreement to be one of the Flynn  
15 settlement agreements?

16 MR. MOXON: Objection, leading.

17 THE REFEREE: Or not?

18 Q BY MR. YANNY: Or not?

19 A Yes.

20 Q Now, where were you employed at the time  
21 of the settlement agreement, if anyplace?

22 A At the law firm of Flynn Joyce and  
23 Sheridan, in Boston.

24 Q Who was acting as your counsel at that  
25 time in the Armstrong case, if anyone?

1           A           Michael Flynn.

2           Q           Were you aware of any other agreements  
3           besides yours that was entered into at or about the  
4           same time as your settlement agreement?

5           A           Yes.

6           Q           Can you estimate for us how many other  
7           settlement agreements involving the organization and  
8           Mr. Flynn's clients?

9           A           Approximately 15 at that time.

10                   MR. MOXON: I object to this line of  
11           questioning dealing with a case up in Marin County  
12           that has nothing to do with this case, if we're  
13           seeking testimony for the Marin County case in which  
14           there is the order.

15                   We should make that plain on the record.

16                   THE REFEREE: I'm still waiting for the  
17           tie-in.

18           Q           BY MR. YANNY: Judge, here it is.

19                   Mr. Armstrong, did any of those other  
20           agreements to which you've made reference require that  
21           people who were situated as you, with access to  
22           documents related to the organization such as the  
23           seized documents, did any of those other agreements  
24           require that those other defendants turn those  
25           documents back over to the organization?



1 MR. MOXON: Objection, leading question.

2 THE REFEREE: That's not really leading.

3 Did they require that?

4 A Yes.

5 Q BY MR. YANNY: Did those agreements also  
6 require, as did your agreement, that you not  
7 voluntarily assist people in the future in litigation  
8 against Scientology?

9 A Yes.

10 Q Did any of the documents that were turned  
11 over illustrate over a period of time any tortious or  
12 criminal activities?

13 MR. MOXON: Objection, leading question.

14 Lack of foundation.

15 THE REFEREE: It's a yes or no.

16 In your understanding?

17 A Yes.

18 Q BY MR. YANNY: Are those documents now  
19 readily available anyplace?

20 MR. MOXON: Objection, calls for a  
21 conclusion without foundation.

22 THE REFEREE: Do you know whether they  
23 are available anywhere?

24 A Some of them are. Some of them are not.

25 Q BY MR. YANNY: Are you aware of any

1 published depositions or written articles that predate  
2 the seizure the raids by the Federal Government in '77  
3 up to the present, regarding Scientology and the  
4 practice of the fair game policy?

5 MR. MOXON: Objection, calls for a  
6 hearsay response.

7 It's irrelevant to the case.

8 MR. YANNY: It's discovery.

9 MR. MOXON: It doesn't discover anything.

10 THE REFEREE: First, you can answer this  
11 yes or no. And then there is going to have to be some  
12 showing as to the basis of your answer.

13 A Could you give me that time period again  
14 that you're referring to?

15 Q BY MR. YANNY: Are you aware of any  
16 articles or published legal opinions that both predate  
17 the seizure or the raids by the United States  
18 Government in 1977 on the GO's office and come up to  
19 the present regarding Scientology and/or the practice  
20 of fair game?

21 MR. MOXON: I object, the question is  
22 vague, ambiguous, confusing.

23 THE REFEREE: Sustained as to form.

24 A (No response)

25 Q BY MR. YANNY: Are you aware of any



1 published opinions regarding the practice of fair game  
2 within the meaning of Scientology doctrines?

3 A Yes.

4 Q Could you outline for us, just briefly,  
5 some of them?

6 A "Allard versus Church of Scientology,  
7 California."

8 Q Do you have an approximate vintage for  
9 that?

10 A 1970 perhaps.

11 Q Does it predate, to your knowledge, "the  
12 raid" as it has become affectionately referred to in  
13 Scientology in 1977?

14 A Yes.

15 Q Any other published opinions regarding  
16 the practice of fair game that you know of?

17 A "Wollersheim versus Church of  
18 Scientology."

19 Q What was the date on that?

20 MR. MOXON: I object Your Honor.

21 Your Honor, we've gone on for a couple of  
22 hours without tying any of this together. Mr. Yanny  
23 is now asking the witness to tell him about legal  
24 decisions he's read at some object point in the past,  
25 from the 1970's to the present.

1                   How that provides any personal knowledge  
2 of this witness to any issues in the case is truly  
3 beyond me. It's irrelevant and it's wasting all of  
4 our time.

5                   MR. YANNY: From the affirmative defense,  
6 if I could, illegality.

7                   THE REFEREE: We have been at this  
8 particular line for 40 minutes anyway.

9                   MR. YANNY: I understand, Your Honor.  
10 Not one question goes by without an objection. It is  
11 a long and sordid history.

12                  THE REFEREE: I know.

13                  But if in fact these decisions say what  
14 your question would indicate that they say, and what  
15 the witnesses indicate they say, then they say what  
16 they say.

17                  Let's go to something else.

18                  MR. YANNY: The point is this Your Honor.  
19 The point is this. The documents that were available  
20 for people to prove that pattern and practice  
21 beginning in 1970 through the Wallersheim decision in  
22 1986, through the precluding one this man has  
23 forgotten, which is "The Church of Scientology v.  
24 Gerald Armstrong" Court of Appeals decision, and Judge  
25 Breckenridge's decision, although there was a



1 consistent ongoing pattern and practice which on a  
2 good day is simply intentionally tortious, and day in  
3 and day out, criminal.

4 THE REFEREE: The decisions exist. What  
5 do they have to do with the testimony from this  
6 witness today?

7 MR. YANNY: Because as part of the  
8 settlement of these cases what has ended up happening  
9 is that people like Mr. Armstrong has been placed in a  
10 position where they cannot cooperate with people like  
11 the Aznarans voluntarily. They cannot tell them about  
12 the existence or location of evidence voluntarily.

13 Q BY MR. YANNY: Mr. Armstrong, was it your  
14 understanding that the Flynn agreements required  
15 counsel to agree not to take cases against Scientology  
16 in the future?

17 A Yes.

18 MR. MOXON: I object, because this is --  
19 in the middle he's asking new questions in the middle  
20 of the court's request to tie this all together. Mr.  
21 Yanny has still failed to do so. It has no  
22 conceivable relevance to this case.

23 MR. YANNY: These people come in here  
24 asking for equity against me because I made an  
25 appearance in the case.

1                   They sit there and sue me for breach of  
2                   fiduciary duties, which as long as I went to school  
3                   was an equitable request.

4                   They seek disqualification against me in  
5                   a case, which as far as I understand, pursuant to  
6                   California law, is an equitable request that Toby be  
7                   enjoined from further participating. Their clean  
8                   hands, their dirty hands is not --

9                   MR. MOXON: It's not an equitable  
10                  question.

11                  THE REFEREE: Alright.

12                  MR. BERRY: Equitable relief is being  
13                  sought in this case and we have completely raised the  
14                  defense that the depletion of the valuable pool of  
15                  attorneys was part justification for whatever Mr.  
16                  Yanny did, and the very last question moves right into  
17                  that area.

18                  THE REFEREE: I'm aware that that's part  
19                  of your position.

20                  The objection's overruled.

21                  If you still have the question in mind  
22                  you may answer it.

23                  MR. YANNY: I believe he already gave an  
24                  answer.

25                  Did you get it?



1 THE REPORTER: I'll have to get it.

2 THE REFEREE: The answer that he gave,  
3 despite his agreement to give Mr. Moxon a chance to  
4 object, was yes.

5 THE WITNESS: Yes.

6 THE REFEREE: Is it still yes?

7 THE WITNESS: Yes.

8 Q BY MR. YANNY: How many attorneys are you  
9 personally aware of that gave that agreement?

10 A I have spoken to two attorneys and I'm  
11 aware of at least a third. So two I've spoken to who  
12 confirmed that they are specifically prohibited.

13 Q Is Julia Dragojevic one of those?

14 A And Michael Flynn. And Julia has advised  
15 me that Bruce Bunch is likewise a signatory to such an  
16 agreement.

17 Q Mr. Flynn had a partner, what was his  
18 name?

19 A My recollection is Michael Tabb maybe,  
20 but I have never discussed that with him.

21 Gary MacMurray, I'm sorry, another lawyer  
22 that I have communicated with who has advised me that  
23 he too has signed such an agreement.

24 Q Do you know of any other people who have  
25 been solicited to sign such agreements or agreed to

1       such?

2               A       Not that I have spoken to personally, or  
3       at least that I do not recall at this time.

4               Q       Do you know Barry Van Sickle?

5               A       Yes.

6               Q       Were you present in my office on one  
7       occasion when he recounted a conversation he had had  
8       with Bill Drescher?

9                       MR. MOXON:  Objection, leading question.

10              A       Yes.

11              Q       BY MR. YANNY:  Did you sign a declaration  
12     to the effect of what you overheard in that  
13     conversation?

14              A       Yes, I did.

15              Q       To your knowledge was that declaration  
16     submitted in court?

17              A       Yes.

18              Q       Has it been your experience -- you said  
19     your case settled, correct?

20              A       It settled in part.

21              Q       In part.

22                       What part settled?

23              A       The cross-complaint.

24              Q       That was your claims against the  
25     organization?



1           A       Right.

2           Q       How much did you get paid for that?

3           A       I am barred from saying.

4           Q       Not in deposition you're not.

5                   MR. MOXON: I agree, he is barred from

6       saying.

7                   MR. BERRY: The agreement specifically

8       states he will not provide information about that

9       agreement unless compelled by lawful subpoena.

10                  MR. YANNY: That's what brings us here

11       this happy day.

12                  MR. GREENE: You're not a lawyer. Are

13       you representing him?

14                  MR. MOXON: I instruct the witness not to

15       answer.

16                  MR. YANNY: He subpoenas him here and

17       brings him here and I'm not allowed to employ the

18       potential bias of the witness?

19                  THE REFEREE: I understand your position.

20       I'm looking at the witnesses lawyer.

21                  THE REFEREE: Two minute break.

22

23                               (Recess taken.)

24       ///

25                  MR. GREENE: Back on the record.

1 THE REFEREE: Back on the record.

2 MR. GREENE: With respect to any  
3 agreements or discussions between Mr. Armstrong and  
4 his former counsel, Michael Flynn, as those  
5 particularly relate to any settlement of Mr.  
6 Armstrong's cross-complaint, I'm going to assert the  
7 attorney-client privilege as it pertained between  
8 Armstrong and his former counsel and instruct Mr.  
9 Armstrong not to answer that question. The one that's  
10 pending.

11 THE REFEREE: Alright.

12 MR. YANNY: I don't know that I  
13 understand for the record.

14 THE REFEREE: He's claiming the  
15 attorney-client privilege.

16 MR. YANNY: As to the amount of a  
17 settlement?

18 THE REFEREE: I guess so.

19 Let me approach this from another  
20 standpoint.

21 The function of discovery usually is to  
22 determine what a person knows or what a person can say  
23 or will say.

24 Is it anticipated that Mr. Armstrong is  
25 going to be a witness in this, in the trial of this



1 case?

2 MR. YANNY: It sure is Judge. I have  
3 been sued for representing him.

4 MR. BERRY: He's the second cause of  
5 action Your Honor.

6 THE REFEREE: It's your position that the  
7 restraining order obtained from the superior court in  
8 Marin County prohibits his being interviewed by you?

9 MR. YANNY: Yes, Your Honor.

10 THE REFEREE: So it's your position that  
11 the only way you know what he's going to say is by  
12 deposing him under oath?

13 MR. YANNY: Yes, Your Honor.

14 MR. BERRY: I have a copy of the  
15 transcript of the hearing in Marin County in my  
16 vehicle.

17 THE REFEREE: This seems like a  
18 cumbersome way to proceed.

19 MR. YANNY: I agree.

20 MR. MOXON: Yesterday Mr. Yanny filed a  
21 motion to intervene in that case.

22 MR. YANNY: To preserve my ability, as  
23 any other citizen ought to have in this country, to  
24 easily gather information and evidence necessary for  
25 the defense.

1                   You can't sue me for representing him and  
2 tell him by the way of a TRO that he can't assist me  
3 in my defense motion. I suggest Marin County is the  
4 place Mr. Yanny has the argument, not here.

5                   You're trying to unduly multiply the  
6 number of proceedings so anybody except people like  
7 you with too many tax free bucks to defend  
8 themselves -- the fact of the matter is you brought a  
9 proceeding in December or November directed exactly at  
10 the same enforcement that you're seeking against Mr.  
11 Armstrong up north.

12                   THE REFEREE: Let's just see where we're  
13 going today.

14                   I wanted to be sure I was straight on the  
15 purpose of the inquiry today and I guess we can go  
16 forward.

17                   THE WITNESS: But I'm not sure that I  
18 really understand, if in fact the terms of the  
19 settlement have been made public in the Marin County  
20 case and if in fact they have become a matter of  
21 public record there --

22                   MR. GREENE: That is the case.

23                   THE REFEREE: Then can the court take  
24 judicial notice of that what record is?

25                   MR. MOXON: There is no judicial notice



1 to take.

2 THE REFEREE: I'm just trying to see the  
3 adviseability and necessity of eliciting the testimony  
4 on this particular point from this witness.

5 MR. GREENE: If I may for a moment, Your  
6 Honor?

7 I represent Mr. Armstrong in the Marin  
8 County matter. I practice in the courts up there,  
9 numerous times every week.

10 The settlement agreement is a matter of  
11 public record. Scientology sought to have it sealed  
12 specifically in an ex parte proceeding. That request  
13 was denied. Therefore it is a matter of public  
14 record.

15 I'm advised by Mr. Berry he has a copy of  
16 the agreement here which he can show to the court,  
17 Omar III, Michael Dufacy issued a temporary  
18 restraining order prohibiting Mr. Armstrong from  
19 providing any kind of assistance to Mr. Yanny unless  
20 it was pursuant to a subpoena, and taken in the course  
21 of a proceeding such as we're doing today.

22 The restraining order specifically  
23 prohibits Armstrong from going and talking about how  
24 he can assist Mr. Yanny in his defense on just a  
25 casual basis. So they're forced to do this.

1 MR. YANNY: To do my interview here.

2 MR. BERRY: In fact, Your Honor, Mr.

3 Moxon's own employee, Ms. Bartilson, said we do not  
4 need the relief we seek in that court case because we  
5 can get the information at this deposition.

6 MR. YANNY: If the amount of money that I  
7 paid Jerry Armstrong and this court allowed that for  
8 the stock -- because this is of course the Gerald  
9 Armstrong Corporation according to Mr. Moxon -- is  
10 some nefarious scheme set up by the IRS and Zennu  
11 himself, if the familiarity of money that flowed one  
12 way is relevant then the amount of money is definitely  
13 relevant to this man's testimony.

14 THE REFEREE: It's not a question of  
15 what's relevant.

16 What I'm trying to understand is if the  
17 terms of the settlement are a matter of public record  
18 anywhere in California, and apparently they are, and  
19 if the TRO, which has to expire sometime I would  
20 think, is directed to testimony other than testimony  
21 under oath, and from a subpoenaed presence, then  
22 what's the basis for the claiming of a privilege?

23 MR. YANNY: Here's the kicker. The  
24 agreement does not have the amount.

25 THE REFEREE: Excuse me. First I'm



1 asking the lawyer for the witness.

2 MR. GREENE: One, we are talking about  
3 more than one agreement. There is what one might call  
4 a generic settlement agreement that Armstrong signed,  
5 and some 15 to 17 other people signed.

6 In that agreement there is no mention of  
7 amounts of money that, an amount of money that went  
8 from Scientology to Armstrong so that Armstrong would  
9 drop his cross-complaint.

10 The agreement and the basis for my  
11 instruction to Armstrong to refuse to answer Mr.  
12 Yanny's question was an agreement between Mr.  
13 Armstrong and his then counsel, Michael Flynn.

14 So the agreement in Marin County upon  
15 which Scientology bases it's lawsuit against Armstrong  
16 does not include within its scope the private  
17 agreement between Mr. Armstrong and his former  
18 counsel. I don't know if that sheds any light.

19 THE REFEREE: The dollar figure is not a  
20 matter of public record?

21 MR. GREENE: It is not.

22 MR. YANNY: What ended up happening,  
23 these people would settle their claims, Mr. Flynn  
24 entered into a separate agreement and he got the money  
25 and parceled it out with all of his clients.

1 THE REFEREE: So the Flynn negotiation  
2 then resulted in a settlement agreement, and a block  
3 settlement and the distribution of the money was  
4 between Flynn and the individual plaintiffs?

5 MR. GREENE: Correct.

6 THE REFEREE: Or cross-complaints?

7 MR. GREENE: Correct.

8 MR. BERRY: And Mr. Flynn himself.

9 MR. MOXON: All these decisions have  
10 absolutely nothing to do with the case.

11 Secondly, the court has made some  
12 assumptions based on the representations of counsel  
13 what is public and what is not public.

14 I have not been involved in the Marin  
15 case at all. Our firm is fairly large. I haven't  
16 been involved in that. I don't know what's public up  
17 there and what isn't.

18 I did, however, call my office, and over  
19 the break I got an order from Judge Cardenas, which I  
20 brought to Mr. Yanny's attention at the break,  
21 indicating that this deposition was not supposed to be  
22 an open-ended deposition where anybody can take the  
23 deposition they wanted.

24 It was very, very difficult to get this  
25 deposition scheduled and it's something that has been



1 a bone of contention for most in this case. Judge  
2 Cardenas specifically ruled --

3 MR. YANNY: Is that a complete  
4 transcript?

5 MR. MOXON: January 30, 1992. The court  
6 notes as follows, however, additionally on that the  
7 depositions of Greene, Armstrong and Phippeny will go  
8 forward on 5th of February, 5th, 6th and 7th.  
9 However, the depositions will be taken by the  
10 plaintiff.

11 First, that is to say that the plaintiffs  
12 will have the opportunity to take the individual  
13 deposition first. And should the defendants agree to  
14 take the deposition of Greene, Armstrong and Phippeny  
15 at a later time, that can be done.

16 We noted the deposition of Mr. Armstrong.  
17 We had two other depositions scheduled for today.  
18 Whatever we get today is not cross-examination.  
19 However titillating Mr. Yanny feels this information  
20 is with respect to some defense, what he's doing is  
21 taking our time and leading in deposition of Mr.  
22 Armstrong that Judge Cardenas said would have to be  
23 handled at a different time.

24 MR. YANNY: That is an incomplete  
25 transcript.

1 I then asked if we would have an  
2 opportunity to examine as well pursuant to CCP. The  
3 court stated yes. We brought them down here at our  
4 expense.

5 THE REFEREE: Whatever everybody's  
6 intentions, including Judge Cardenas's intentions were  
7 when that hearing was held, things are being done  
8 differently, because this isn't happening on February  
9 5th, 6th and 7th, this is happening now.

10 We're all under the gun a bit because of  
11 the trial date that Judge Cardenas has in mind, I  
12 think, and I chose just as a matter of convenience to  
13 get done everything that can be done with Mr.  
14 Armstrong today.

15 It's clear that Mr. Greene and Ms.  
16 Phippany's depositions are going to have to be taken  
17 on another day. When? It's up to all of you to agree  
18 if you can as to whether that day should be tomorrow  
19 or one day next week, and consult with counsel who is  
20 getting ready to have his deposition taken tomorrow.

21 That really, I don't see that anything is  
22 really lost here in the long run. If in fact, if  
23 there was a confidential settlement made involving the  
24 Church and whatever form it was in the other  
25 litigation, and Mr. Flynn and Mr. Armstrong, and that



1       agreement has not been made public, then I think I  
2       want to hear a little bit more about the claim of  
3       privilege here, the claim of work product or whatever  
4       privilege this would be.

5                       Certainly just thinking about it in  
6       general equitable, thinking about the problem in a  
7       general equitable sense or thinking about it according  
8       to general equitable principles, if Mr. Armstrong got  
9       a dollar for settling that might have one effect on  
10      him, or if he got a million dollars that might have  
11      another effect on him.

12                     I haven't detected in listening to him  
13      testify today any sentiment toward, any leaning on his  
14      part in favor of the Church. Or the organization,  
15      whatever terms ya'all can be comfortable with.

16                     So you could not really say that the fact  
17      that a substantial, if in fact a substantial amount of  
18      money went to him in settlement, that it has caused  
19      him to lean toward the Church in any testimony that's  
20      going to be elicited from him.

21                     If Mr. Yanny's point is that the sum  
22      should be, the amount should be discovered because the  
23      fact that X dollars were spent in this way would  
24      indicate some admission of fault on the part of the  
25      Church organization, or was a part of a pattern to

1 seek to inhibit the discovery of Church information,  
2 maybe that's something that you all want to be heard  
3 further on.

4 But it just -- nobody has -- Mr.  
5 Armstrong hasn't been dragged kicking and screaming  
6 here, and has hardly opened his mouth. You could  
7 never say that's the situation we find ourselves in  
8 today.

9 MR. YANNY: Can I lay a foundation?

10 MR. MOXON: I suggest that this is a  
11 matter which is before the court in Marin County. Mr.  
12 Yanny has already filed something up there to get  
13 relief from that order. This is not the appropriate  
14 place based just on the oral representations of  
15 counsel to make any ruling of this issue.

16 Obviously it's a subject of vast  
17 pleadings according to Ms. Bartilson in the phone  
18 conversation. I haven't had a chance to meet with her  
19 on this.

20 Something like a 70 page brief was filed  
21 on behalf of Mr. Yanny on behalf of Mr. Armstrong up  
22 there on these issues. I see no utility in taking the  
23 issue away from the court where it's properly to be  
24 determined and bringing it down here where it could  
25 potentially be determined on a very inadequate record.



1                   MR. BERRY: I'm lost as to what we are  
2 deciding at this particular moment.

3                   THE REFEREE: We're deciding whether Mr.  
4 Armstrong should be required to give a dollar amount  
5 that he received from Mr. Flynn as his part of a  
6 settlement agreement.

7                   MR. YANNY: Can I lay a little more  
8 foundation?

9                   THE REFEREE: Yes. Just briefly  
10 hopefully.

11                Q           BY MR. YANNY: Mr. Armstrong, as part of  
12 the agreement that has been filed -- the Armstrong  
13 agreement that we have thus far seen, the one that's  
14 been filed in Marin County and has been part of the  
15 court of appeals down here -- does that include a  
16 provision, does that portion of the agreement include  
17 a provision that Mr. Flynn not take cases against the  
18 organization in the future?

19                   MR. MOXON: I object again.

20                Q           BY MR. YANNY: To your knowledge?

21                A           No.

22                   MR. MOXON: There's no foundation laid  
23 that in fact these matters are public record.

24                   THE REFEREE: The answer is no, that it  
25 didn't require such an inhibition. Is that your

1 understanding?

2 THE WITNESS: That -- my understanding is  
3 this: That the agreement which has now been filed up  
4 there which is called the "settlement agreement" that  
5 I signed, does not include within it the statement  
6 that my lawyers may not take cases adverse to  
7 Scientology and may not represent me in my future  
8 litigation, but that a separate agreement that the  
9 lawyers entered into with Scientology does include  
10 that.

11 THE REFEREE: How do you know that?

12 THE WITNESS: I have spoken to them. I  
13 asked them to assist me.

14 THE REFEREE: That's what they've said?

15 THE WITNESS: Right.

16 MR. MOXON: Obviously the Church of  
17 Scientology would be a beneficiary to that agreement  
18 based on what Mr. Armstrong says is correct.

19 THE REFEREE: I understand that.

20 Here's my thought. When is the hearing  
21 on Mr. Yanny's Marin County motion?

22 MR. GREENE: Friday.

23 MR. BERRY: There is several motions.  
24 There is the motion for preliminary injunction to  
25 enjoin Mr. Armstrong from dealing with us at all



1 outside of this deposition room, and there is our  
2 motion to intervene to approve that amount and amicus  
3 curiae to enable us to in fact gather evidence from  
4 Mr. Armstrong outside of this deposition room forward,  
5 and there is a motion on behalf of Mr. Armstrong to  
6 transfer the entire area to the L.A. Superior Court.

7 THE REFEREE: Here's the referee's  
8 decision on this particular point.

9 I'm reserving a ruling pending the order  
10 of the, whatever order the court makes in Marin  
11 County.

12 I'm asking the court reporter to leave,  
13 to include a statement on behalf of Mr. Armstrong that  
14 the amount is blank. I'll decide at a later time  
15 whether to give you a written order to fill in that  
16 blank.

17 THE WITNESS: That's fine.

18  
19 (INFORMATION REQUESTED: \_\_\_\_\_)

20  
21 (The amount is \_\_\_\_\_)

22  
23 THE REFEREE: And I'm ordering you at  
24 this time to comply with whatever order I give subject  
25 to whatever other influences --

1 THE WITNESS: I'd be happy to Your Honor.

2 THE REFEREE: -- you may be under.

3 And we'll see. So far I really haven't  
4 seen the basis for requiring the answer in the face of  
5 the instruction from counsel. But it may well be the  
6 appropriate thing to do.

7 MR. MOXON: In advance I would like to  
8 register the objection if the court provides such an  
9 order to Mr. Armstrong if Mr. Yanny's position  
10 prevails.

11 THE REFEREE: I wouldn't send it without  
12 everybody having another shot at it, believe me. In  
13 other words if you want me to read what everybody is  
14 talking about up in Marin County you have to provide  
15 it.

16 If you want to brief something I will  
17 have a chance to do so. So we can take Mr. Armstrong  
18 as far along today as we can.

19 MR. MOXON: I'm referring to if we have  
20 an opportunity to appeal it to Judge Cardenas if  
21 necessary before Mr. Armstrong decides to give the  
22 information.

23 THE REFEREE: Alright.

24 I'm sure he won't give the information  
25 without an order to do so.



1 THE WITNESS: I'll restrain myself Your  
2 Honor.

3 MR. GREENE: I'm instructing you to.

4 MR. MOXON: So am I.

5 Q BY MR. YANNY: Aside from the agreement  
6 that, or the portion of the Armstrong agreement which  
7 has been filed in the court up in Marin County, have  
8 you become aware of any indemnification agreements  
9 regarding yourself, Mr. Flynn and the organization?

10 A Yes.

11 Q Were those parts of any documents that  
12 were prepared and signed by you?

13 A No.

14 Q Do you understand any of the terms of  
15 those indemnifications?

16 A Yes.

17 Q Would you tell us what they are?

18 MR. MOXON: Any of the terms?

19 MR. YANNY: Yes.

20 A The indemnification agreement that I know  
21 of concerns the appeal that the organization maintain  
22 pursuant to the settlement agreement of the underlying  
23 case in Armstrong I. That was the organization's  
24 lawsuit against me for conversion of the Hubbard  
25 archived documents when I sent them to my lawyers.

1 They appealed from the decision and --

2 Q BY MR. YANNY: Who appealed?

3 A The organization appealed from the  
4 decision of Judge Breckenridge, 1984.

5 And Michael Flynn, along with  
6 organization lawyers, Larry Heller and Earle Cooley,  
7 entered into an agreement whereby they agreed that if  
8 the Breckenridge decision was reversed, the matter was  
9 retried and damages were assessed against me, these  
10 damages would not be in an amount greater than 25,000  
11 and one dollar.

12 And that if I had to pay the amount of  
13 the damages that Michael Flynn would reimburse me, and  
14 the organization lawyers would reimburse Flynn for the  
15 amount of the damages.

16 Q Were any of those indemnification  
17 agreements, to your knowledge, ever presented to any  
18 of the courts?

19 A Yes.

20 Q When?

21 A The one that I have just described was  
22 included in appellant's supplemental appendix to the  
23 second appeal which the organization filed to the  
24 Breckenridge decision. And it was filed in I believe  
25 December of 1989 in the court of appeal.



1 Q So if I understand your testimony there  
2 was a decision rendered by Judge Breckenridge that the  
3 organization did not like?

4 A Correct.

5 Q They wanted to take an appeal on that?

6 A They did appeal. They filed a Notice of  
7 Appeal in 1984.

8 Q And took an appeal?

9 A Yes.

10 Q They eventually took an appeal?

11 A Yes.

12 Q If you lost that appeal the net effect to  
13 you, dollarwise, would be zero?

14 A Or one I believe.

15 Q Or one dollar?

16 A Right.

17 Q So then there was a contrived appeal?

18 MR. MOXON: Objection, calls for a  
19 conclusion.

20 It's a leading question.

21 THE REFEREE: Sustained. I think we have  
22 been over this enough.

23 Q BY MR. YANNY: Subsequent to these  
24 agreements being entered --

25 Let me ask you this.

1                   These indemnification agreements, have  
2 you seen dates on these agreements?

3           A           My recollection is that the one I'm  
4 referring to is December 10, 1986.

5           Q           And do you recall the date on your  
6 agreement?

7           A           December 6, 1986.

8           Q           So this was at or about the same time, or  
9 part of the same series of transactions?

10          A           Right.

11                   MR. MOXON: Continuing objection as to  
12 the relevancy of any of this. It still has not been  
13 tied together by Mr. Yanny.

14          Q           BY MR. YANNY: Are you sure there was all  
15 of the agreements that were entered into in settlement  
16 of your case or any of the Flynn cases?

17          A           No.

18          Q           Subsequent to the agreements that you've  
19 just set forth, did you have a difficult time in  
20 obtaining counsel?

21                   MR. MOXON: Objection, leading question.

22                   THE REFEREE: Did you or did you not?

23          A           Yes.

24          Q           BY MR. YANNY: Did you talk to any number  
25 of people to get representation?



1 MR. MOXON: Objection, leading question.

2 THE REFEREE: Sustained as to form.

3 A (No response)

4 Q BY MR. YANNY: How many people do you  
5 recall talking to before you finally ended up getting  
6 representation for the appeal?

7 A In the appeal itself?

8 Q Yes.

9 A At the time of the appeal when I again  
10 became involved in litigation, actively involved, at  
11 the time that the second appeal -- that is the opening  
12 brief was filed -- I merely attempted at that time  
13 with Michael Flynn, at which time he advised me that  
14 he would not be involved, and I made the decision at  
15 that time to proceed alone.

16 Subsequently I did obtain assistance in  
17 that appeal from another lawyer who subsequently  
18 desired to end his representation of me with regards  
19 to the appeal and the organization.

20 Q Did you become aware at any point in time  
21 during your involvement with the organization of  
22 attempts by the organization to blackmail judges?

23 MR. MOXON: Objection, leading question.

24 Calls for a conclusion.

25 Utterly irrelevant.

1 And an improper question.

2 But primarily that's a leading question.

3 THE REFEREE: Sustained as to form.

4 Q BY MR. YANNY: Did you or did you not

5 during your period of involvement with the

6 organization become aware of attempts to blackmail

7 judges?

8 MR. MOXON: Same objection. Same

9 question.

10 THE REFEREE: That's something you can

11 answer yes or no.

12 MR. MOXON: Lack of foundation also.

13 THE REFEREE: We'll get to that in a

14 minute.

15 A Yes, I do.

16 Q BY MR. YANNY: Could you identify the

17 judges please?

18 THE REFEREE: First, I haven't heard any

19 foundation yet.

20 MR. MOXON: There can't be any

21 foundation. This is just an utter sham.

22 I object to Mr. Yanny's cooperation with

23 this witness in perpetrating this fraud.

24 THE REFEREE: All right.

25 I have objected to the question pending



1 Mr. Yanny. I don't see any foundation for this  
2 knowledge.

3 Q BY MR. YANNY: Upon what do you base that  
4 conclusion, sir?

5 What facts or knowledge do you have to  
6 support them?

7 A While in the organization I became aware  
8 of an operation involving Judge Ritchie, Federal  
9 District J.

10 Q That's in Washington, D.C.?

11 A He was trying the "U.S. v. Hubbard" case.

12 Q From whom did you gain that information?

13 MR. MOXON: What information?

14 Q BY MR. YANNY: What information did you  
15 obtain?

16 I'll Withdraw the other question.

17 A The information as I recall it was an  
18 effort in involving an ORG private investigator by the  
19 name of Bast, to compromise Judge Ritchie with a  
20 prostitute.

21 MR. MOXON: I strongly object.

22 It's a matter of public record, Your  
23 Honor, that Judge Ritchie re-excused himself from this  
24 case.

25 MR. YANNY: Do you want to tell him after

1       what?

2                   MR. MOXON:  After Judge Ritchie utilized  
3       federal marshals to solicit from him he re-exused  
4       himself from the case.  There is formal testimony from  
5       the marshals that he did that.

6                   Something that Mr. Yanny attempted to  
7       defend years ago, knowing that it was false, and now  
8       is attempting to try to splatter the record with this,  
9       it's highly objectionable.

10                  If you want to go on with this irrelevant  
11       stuff I'll just sit here and continue to make my  
12       objections.  I strongly object to the fact that I have  
13       been foreclosed in asking what I consider to be  
14       relevant questions, and now we're getting this stuff  
15       that Mr. Yanny has never tied together.  We have been  
16       waiting for two hours.

17                  MR. BERRY:  Once again, the witness  
18       didn't finish his answer.

19                  A       This is all pretty far fetched.  I really  
20       can't --

21                  It's all of a very, very general nature  
22       and it's becoming cumulative if, and nothing else.  
23       It's now 25 minutes after.  What's your plan  
24       gentleman?

25                  MR. YANNY:  Twenty-five after --



1 THE REFEREE: Four.

2 MR. MOXON: I have about three hours of  
3 cross-examination.

4 THE REFEREE: I'll leave it to ya'all to  
5 manage how you're going to proceed. You know how many  
6 days you have booked. You have an idea of what else  
7 you need to do.

8 The present schedule calls for the  
9 counsel to be examined on Wednesday and Thursday,  
10 which would mean that Mr. Armstrong and Mr. Greene and  
11 Ms. Phippany will be coming down here again on some  
12 occasion.

13 Or you can take them tomorrow. It's up  
14 to you all to figure out how you're going to do it.

15 MR. GREENE: Just to respond --

16 THE REFEREE: Off the record.

17 MR. GREENE: I'd like this on the record.

18 THE REFEREE: Fine.

19 MR. GREENE: I'd have a problem with  
20 staying here tomorrow. Mr. Moxon's San Francisco  
21 co-counsel knowing that I have been down here  
22 apparently has been giving notice to an answering  
23 machine in my office while I have been here of ex  
24 parte application in his Armstrong II in Marin County.  
25 There are bases that I need to cover because of

1       conduct like that. So I would really don't feel like  
2       I would be available.

3               I'm a sole practitioner. My only  
4       assistant is Gerry Armstrong. So if Bowles & Moxon's  
5       co-counsel, Andrew Wilson, in San Francisco is giving  
6       notice to my answering machine knowing that I'm down  
7       here about ex parte applications that he's making in  
8       Marin, I have bases in Marin that I have to catch up  
9       with and cover.

10              THE REFEREE: It doesn't matter to me  
11       when you all work it out.

12              I'm saying plaintiff is entitled to  
13       finish this deposition. Mr. Yanny apparently has some  
14       more questions he wants to ask.

15              MR. BERRY: Might I suggest Your Honor we  
16       agree a date to resume at the end of today's session?  
17       Five I think Your Honor finishes.

18              THE REFEREE: I think it just runs to  
19       4:30.

20              MR. MOXON: I can't give a date now  
21       without consulting with the people in my office who  
22       actually work on this case. If you like I can do  
23       that. It would probably be best to do it now.

24              MR. GREENE: One other housekeeping  
25       matter just has to do with Mr. Armstrong's opportunity



1 to review his testimony.

2 Our request would be that it would be  
3 sufficient for a copy of his testimony be supplied  
4 through one of lawyers here and that he could review  
5 and approve that, because obviously the court  
6 reporter's here in San Francisco and down here in L.A.  
7 and Armstrong's north of San Francisco, which would  
8 make review at the court reporter's office very  
9 inconvenient.

10 Is that alright?

11 MR. MOXON: Do you want to order a copy  
12 of the transcript? I don't know you're going to  
13 provide the original.

14 MR. GREENE: Previously when there were  
15 depositions in this case the way that it was handled  
16 was that the original went to Mr. Armstrong. He  
17 reviewed it and sent it to Mr. Moxon's office.

18 If the same kind of arrangement happens  
19 here that would be great.

20 MR. YANNY: I would note for the record  
21 as well as Your Honor, that's been a fairly standard  
22 approach for litigation I have handled for this  
23 organization.

24 And these deposition were originally  
25 scheduled up north where Mr. Armstrong resides. As an

1 accomodation to everybody Mr. Armstrong agreed to come  
2 down. I don't see any reason for inconveniencing him  
3 to come down here.

4 MR. MOXON: I have no problem with that.  
5 It was part of a meet and confer because we indicated  
6 we're going to file a motion to compel.

7 MR. GREENE: Then the other outstanding  
8 matter is pursuant to the conference call that I had  
9 difficulty hearing everybody from down here.

10 What I did try to hear was that our  
11 travel costs would be covered and I have advanced  
12 those and I would like to be reimbursed.

13 MR. BERRY: I have indicated, Your Honor,  
14 of course we'll reimburse Mr. Greene. I think there's  
15 contributions from the plaintiffs to consider.

16 MR. MOXON: Not that I'm aware of.

17 THE REFEREE: I honestly don't have a  
18 recollection. My general impression was it was going  
19 to be split.

20 MR. BERRY: That is correct.

21 THE REFEREE: I would think that would be  
22 appropriate.

23 MR. MOXON: I don't know Your Honor. I  
24 can't make any representations.

25 THE REFEREE: I'm not asking you to know.



1 THE REFEREE: I'm not asking you to know.  
2 I'm just asking you to check and I'm giving you my  
3 general recollection and my current feeling that that  
4 would be fair.

5 MR. BERRY: I think we agreed to split  
6 Mr. Greene, and there was reluctance on the part of  
7 the plaintiffs to pay anything for Mr. Armstrong.

8 We agreed to pay the entirety of Mr.  
9 Armstrong rather than argue at a great expense over  
10 the issue.

11 THE REFEREE: Then your recollection is  
12 more exact than mine.

13 Mr. Armstrong, it's clear -- and I'll do  
14 what ya'all wish with respect to instructions and  
15 whatnot -- it's clear that Mr. Armstrong's deposition  
16 is going to have to be renewed.

17 It has to be cheaper to bring him back  
18 down here than it is to move everybody up there. So  
19 if you all can agree on a date, fine. If you can't,  
20 I'll set a date. And then we'll have the pleasure of  
21 the northern California company again.

22 MR. MOXON: May I take a break and call  
23 my office Your Honor?

24 THE REFEREE: Sure.

25 ///

1 (Recess taken.)

2  
3 MR. MOXON: We have agreed that we will  
4 start at 1:00 P.M. on the 7th.

5 THE REFEREE: We'll resume with Mr.  
6 Armstrong at 1:00 p.m. on the 7th, scheduled presently  
7 from 1:00 to 5:00.

8 And on the 8th from 9:00 to 12:00. 1:30  
9 to 4:30. And in those, in that day and a half you  
10 would hope to cover, to finish Mr. Armstrong and to do  
11 Mr. Greene and Ms. Phippany.

12 MR. BERRY: How do we propose dealing  
13 with the question of money?

14 MR. MOXON: Take that up with Ms.  
15 Bartilson. I don't know what arrangements you made.

16 MR. YANNY: We just called your office.  
17 Why don't you ask her?

18 MR. GREENE: We need to check. We don't  
19 have the kind of resources you guys are used to  
20 playing with.

21 I advanced \$594 to fly the three of us  
22 down here.

23 MR. BERRY: I'm prepared to get a check  
24 tomorrow, but I would like the representation that I'm  
25 going to be reimbursed by Bowles & Moxon for whatever



1 share.

2 THE REFEREE: I'm sure they're going to  
3 reimburse you for at least half of Phippany and  
4 Armstrong.

5 And since recollections differ, some part  
6 of Greene or not some part of Greene.

7 MR. MOXON: I thought it was the other  
8 way around?

9 THE REFEREE: Whatever.

10 MR. MOXON: Yanny's office was paying for  
11 Armstrong.

12 THE REFEREE: Split two and one question.

13 MR. GREENE: Sounds like a good summary.

14 THE REPORTER: Who wants a copy of this  
15 deposition?

16 MR. BERRY: I do.

17 MR. MOXON: The original will be sent to  
18 Mr. Greene for review and the original to be sent back  
19 to my office.

20 When do you want your copy?

21 MR. BERRY: Whenever you get yours.

22 MR. MOXON: We need it by tonight, 3/17.  
23 Around midnight is okay.

24

25 (Ending time: 4:50 p.m.)

1 STATE OF ILLINOIS )

2 ) ss.

3 COUNTY OF COOK )

7 I, the undersigned, declare under penalty

8 of perjury that I have read the foregoing

9 transcript, and I have made any corrections,

10 additions, or deletions that I was desirous of

11 making; that the foregoing is a true and correct

12 transcript of my testimony contained therein.

13 Executed this \_\_\_\_\_ day of \_\_\_\_\_,

14 1978, at \_\_\_\_\_, \_\_\_\_\_.

15 (City)

(State)

22 \_\_\_\_\_  
23 GERALD ARMSTRONG



1 STATE OF CALIFORNIA )

2  
3 COUNTY OF LOS ANGELES )

4  
5 I, JAN W. SERRA, CSR No. 8207,  
6 Certified Shorthand Reporter, certify:

7 That the foregoing proceedings were,  
8 taken before me at the time and place therein set  
9 forth, at which time the witness:

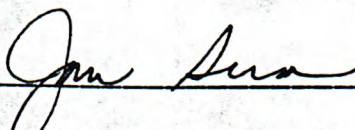
10 GERALD ARMSTRONG,  
11 was put under oath by me;

12 That the testimony of the witness And  
13 all objections made at the time of the examination  
14 were recorded stenographically by me and were  
15 thereafter transcribed;

16 That the foregoing is a true and correct  
17 transcript of my shorthand notes so taken.

18 I further certify that I am not a  
19 relative or employee of any attorney of any  
20 of the parties, nor financially interested in  
21 the action.

22 Dated this March 17, 1992.

23  
24   
25

Certified Shorthand Reporter